

The Buckeye group's engineering consultants are Southern Engineers, of Atlanta, Ga., and Loeb & Eames, of New York City.

Ohio Power Co. is one of six major operating companies comprising the American Electric Power System.

In its 15,400-square-mile service area, Ohio Power provides electric power for 485,000 customers. This area embraces parts of 53 counties in a broad belt across north-central Ohio and a wide area in the central, southeastern, and southern sections of the State. Population of the area is approximately 1,750,000.

To serve its customers, Ohio Power maintains a staff of approximately 3,700 employees. General offices are in Canton, with division offices located in Steubenville, Canton, Coshocton, Zanesville, Newark, Portsmouth, Tiffin, Findlay, and Lima. Offices and service facilities are maintained in 31 other cities and towns.

Ohio Power operates six steam-electric generating stations on the Ohio and Muskingum Rivers. Their combined power-producing capability is 2,900,000 kilowatts. These plants, plus 10 other major plants and several smaller ones, give the AEP system a generating capa-

bility of 7 million kilowatts—largest of any investor-owned electric system in the Nation. In addition to this capacity, Ohio Power has available for its customers backup generation from 19 other utilities with which the AEP system has interconnections.

The company operates more than 4,000 miles of transmission lines ranging from 23,000 to 345,000 volts, the latter being the highest in general use in the Nation. To carry electricity from transmission substations to the customers, Ohio Power operates more than 17,000 miles of distribution lines.

Ohio Power's history dates back to 1883 when the earliest predecessor companies came into being. Throughout its 80 years of existence, the company has pioneered many technological advances which have become standards for the industry.

Ohio Power is the Nation's 10th largest investor-owned electric utility company from the standpoint of sales of electricity, approximately 14½-billion kilowatt-hours having been sold in 1962. While Ohio Power sells more electricity than any other Ohio electric company, it

ranks third in revenues received from electric sales and third in the number of customers served.

To provide its customers with electric service, Ohio Power has a net capital investment of nearly \$700 million. This amounts to about \$1,450 for each customer served and \$200,000 per employee. During the past decade, Ohio Power has invested an average of \$42 million per year for the expansion and modernization of its facilities.

Ohio Power's six major powerplants, their locations and capabilities follow:

Muskingum River plant, Beverly, Ohio, 888,000 kilowatts; Philo plant, near Zanesville, 497,000 kilowatts; Tidd plant, Brilliant, Ohio, 220,000 kilowatts; Philip Sporn plant, Graham Station, W. Va., owned jointly with Appalachian Power Co., 1,100,000 kilowatts—Ohio Power's portion, 816,000 kilowatts; Kammer plant, Captina, W. Va., owned jointly with Ormet Corp., 675,000 kilowatts—Ohio Power's portion, 305,000 kilowatts; and Windsor plant, Power, W. Va., owned jointly with West Penn Power Co., 300,000 kilowatts—Ohio Power's portion, 150,000 kilowatts.

## SENATE

MONDAY, OCTOBER 28, 1963

(Legislative day of Tuesday, October 22, 1963)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O God, Thy word is written in the very framework of the universe; Thy image is stamped at the very core of our being. It is Thy voice which, if we have but ears to hear, soundeth in the experiences which sing and sob and sigh across life's changing scenes.

Discarding every mask and disguise of pretense, which, alas, too often we wear before the face of man, we come praying that the fretful fears that fill our sight may be cast out by a love that takes the dimness of our souls away.

In the vision splendid of divine Fatherhood and of human brotherhood, may we dream our dreams, fashion our lives, enact our laws, build our Nation, and plan our world until this shadowed earth, which is our home, rolls out of the darkness into the light and it is day-break everywhere.

We ask it in the name of the One whose life is the light for all men. Amen.

### THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, October 24, 1963, was dispensed with.

### CALL OF THE CALENDAR DISPENSED WITH

On request of Mr. MANSFIELD, and by unanimous consent, the call of the Legislative Calendar was dispensed with.

### TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a morning hour, with statements in connection therewith limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

### COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. FULBRIGHT, and by unanimous consent, the Subcommittee on Employment and Manpower of the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate today.

### COMMITTEE MEETING DURING SENATE SESSION TOMORROW AND WEDNESDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Subcommittee on Employment and Manpower of the Committee on Labor and Public Welfare may be permitted to meet during the sessions of the Senate tomorrow and Wednesday of this week.

The VICE PRESIDENT. Without objection, it is so ordered.

### EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. If there be no reports of committees, the nominations on the Executive Calendar will be stated.

### THE AIR FORCE

The Chief Clerk read the nomination of Maj. Gen. Fred M. Dean, 1450A, Regular Air Force, to be assigned to positions of importance and responsibility designated by the President in the grade indicated, under the provisions of section 8066, title 10, of the United States Code, to be lieutenant general.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

### THE MARINE CORPS, THE NAVY

The Chief Clerk proceeded to read sundry nominations, placed on the Secretary's desk, in the Marine Corps and in the Navy and Marine Corps.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

### LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

#### EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

#### COMMISSARY AND REPORTS ON MESSING TRANSACTIONS

A letter from the Administrator, Federal Aviation Agency, Washington, D.C., transmitting, pursuant to law, a report on commissary and messing transactions, for fiscal year 1963 (with accompanying reports); to the Committee on Commerce.

#### COMPACTS FOR PROMOTING HIGHWAY TRAFFIC SAFETY

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the joint resolution approved August 20, 1958, granting the consent of Congress to the several States to negotiate and enter into compacts for the purpose of promoting highway traffic safety (with an accompanying paper); to the Committee on Commerce.

#### ESTABLISHMENT OF INDIANA DUNES NATIONAL LAKESHORE

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to provide for the establishment of the Indiana Dunes National Lakeshore, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

#### PETITION

The VICE PRESIDENT laid before the Senate the petition of Howard and Dorothy Hillier, of Dafter, Mich., praying

for a redress of grievances, which was referred to the Committee on the Judiciary.

#### REPORT OF JOINT COMMITTEE ON NONESSENTIAL FEDERAL EXPENDITURES—FEDERAL EMPLOYMENT AND PAY

Mr. BYRD of Virginia. Mr. President, as chairman of the Joint Committee on

Reduction of Nonessential Federal Expenditures, I submit a report on Federal employment and pay for the month of September 1963. In accordance with the practice of several years' standing, I ask unanimous consent to have the report printed in the RECORD, together with a statement by me.

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

#### FEDERAL PERSONNEL IN EXECUTIVE BRANCH, SEPTEMBER 1963 AND AUGUST 1963, AND PAY, AUGUST 1963 AND JULY 1963

##### PERSONNEL AND PAY SUMMARY

(See table I)

Information in monthly personnel reports for September 1963 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures is summarized as follows:

| Total and major categories                  | Civilian personnel in executive branch |                     |                              | Payroll (in thousands) in executive branch |              |                              |
|---|--|---------------------|------------------------------|--|--------------|------------------------------|
|   | In September numbered—                 | In August numbered— | Increase (+) or decrease (—) | In August was—                             | In July was— | Increase (+) or decrease (—) |
| Total <sup>1</sup>                          | 2,492,169                              | 2,515,033           | -22,864                      | \$1,341,472                                | \$1,370,198  | -\$28,726                    |
| Agencies exclusive of Department of Defense | 1,445,752                              | 1,462,235           | -16,483                      | 778,910                                    | 792,171      | -13,261                      |
| Department of Defense                       | 1,046,417                              | 1,052,798           | -6,381                       | 562,562                                    | 578,027      | -15,465                      |
| Inside the United States                    | 2,324,025                              | 2,349,098           | -25,073                      |  |              |                              |
| Outside the United States                   | 168,144                                | 165,935             | +2,209                       |  |              |                              |
| Industrial employment                       | 561,356                                | 567,112             | -5,756                       |  |              |                              |
| Foreign nationals                           | 160,600                                | 161,600             | -1,000                       | 28,032                                     | * 27,780     | +252                         |

<sup>1</sup> Exclusive of foreign nationals shown in the last line of this summary.

<sup>2</sup> Revised on basis of later information.

Table I breaks down the above figures on employment and pay by agencies.

Table II breaks down the above employment figures to show the number inside the United States by agencies.

Table III breaks down the above employ-

ment figures to show the number outside the United States by agencies.

Table IV breaks down the above employment figures to show the number in industrial-type activities by agencies.

Table V shows foreign nationals by agencies not included in tables I, II, III, and IV.

TABLE I.—Consolidated table of Federal personnel inside and outside the United States employed by the executive agencies during September 1963, and comparison with August 1963, and pay for August 1963, and comparison with July 1963

| Department or agency  | Personnel |         |          |          | Pay (in thousands) |          |          |          |
|---|-----------|---------|----------|----------|--------------------|----------|----------|----------|
|   | September | August  | Increase | Decrease | August             | July     | Increase | Decrease |
| <b>Executive departments (except Department of Defense):</b>    |           |         |          |          |                    |          |          |          |
| Agriculture   | 108,365   | 114,843 |          | 6,478    | \$59,054           | \$59,645 |          | \$591    |
| Commerce  | 31,175    | 32,212  |          | 1,037    | 21,240             | 20,766   | \$474    |          |
| Health, Education, and Welfare                                  | 81,491    | 82,820  |          | 1,329    | 43,158             | 44,162   |          | 994      |
| Interior  | 68,152    | 169,834 |          | 1,682    | 39,619             | 40,904   |          | 1,285    |
| Justice   | 31,953    | 32,127  |          | 174      | 21,366             | 22,605   |          | 1,239    |
| Labor   | 9,499     | 9,670   |          | 171      | 6,079              | 6,226    |          | 147      |
| Post Office   | 587,754   | 590,162 |          | 2,408    | 287,983            | 291,714  |          | 3,731    |
| State <sup>2</sup>  | 42,517    | 42,911  |          | 394      | 22,630             | 23,737   |          | 1,107    |
| Treasury  | 85,661    | 86,678  |          | 1,017    | 52,137             | 54,338   |          | 2,201    |
| <b>Executive Office of the President:</b>                       |           |         |          |          |                    |          |          |          |
| White House Office  | 375       | 380     |          | 5        | 260                | 272      |          | 12       |
| Bureau of the Budget  | 482       | 498     |          | 16       | 447                | 466      |          | 19       |
| Council of Economic Advisers                                    | 47        | 46      | 1        |          | 51                 | 42       | 9        |          |
| Executive Mansion and Grounds                                   | 74        | 77      |          | 3        | 40                 | 42       |          | 2        |
| National Aeronautics and Space Council                          | 29        | 30      |          | 1        | 27                 | 24       | 3        |          |
| National Security Council                                       | 42        | 40      | 2        |          | 35                 | 35       |          |          |
| Office of Emergency Planning                                    | 467       | 470     |          | 3        | 392                | 411      |          | 19       |
| Office of Science and Technology                                | 109       | 50      | 59       |          | 34                 | 36       |          | 2        |
| Office of the Special Representative for Trade Negotiations     | 27        | 26      | 1        |          | 21                 | 22       |          | 1        |
| President's Commission on Registration and Voting Participation | 7         | 17      |          | 10       | 7                  | 7        |          |          |
| President's Committee on Equal Opportunity in Housing           | 4         | 4       |          |          |                    |          | 7        |          |
| <b>Independent agencies:</b>                                    |           |         |          |          |                    |          |          |          |
| Advisory Commission on Intergovernmental Relations              | 32        | 27      | 5        |          | 22                 | 28       |          | 6        |
| American Battle Monuments Commission                            | 436       | 435     | 1        |          | 94                 | 89       |          | 5        |
| Atomic Energy Commission  | 7,227     | 7,267   |          | 40       | 5,566              | 5,807    |          | 241      |
| Board of Governors of the Federal Reserve System                | 616       | 624     |          | 8        | 427                | 446      |          | 19       |
| Civil Aeronautics Board   | 859       | 862     |          | 3        | 667                | 697      |          | 30       |
| Civil Service Commission  | 4,038     | 4,073   |          | 35       | 2,583              | 2,692    |          | 109      |
| Civil War Centennial Commission                                 | 5         | 5       |          |          | 5                  | 4        | 2        |          |
| Commission of Fine Arts   | 6         | 6       |          |          | 7                  | 7        |          |          |
| Commission on Civil Rights                                      | 62        | 90      |          | 28       | 58                 | 55       | 3        |          |
| Delaware River Basin Commission                                 | 2         | 2       |          |          | 3                  | 3        |          |          |
| Export-Import Bank of Washington                                | 293       | 299     |          | 6        | 211                | 225      |          | 14       |
| Farm Credit Administration                                      | 240       | 237     | 3        |          | 183                | 186      |          | 3        |
| Federal Aviation Agency   | 46,157    | 46,567  |          | 410      | 33,718             | 34,785   |          | 1,067    |
| Federal Coal Mine Safety Board of Review                        | 7         | 7       |          |          | 4                  | 4        |          |          |
| Federal Communications Commission                               | 1,462     | 1,532   |          | 70       | 1,073              | 1,118    |          | 45       |
| Federal Deposit Insurance Corporation                           | 1,274     | 1,304   |          | 30       | 850                | 864      |          | 14       |

See footnotes at end of table.



TABLE I.—Consolidated table of Federal personnel inside and outside the United States employed by the executive agencies during September 1963, and comparison with August 1963, and pay for August 1963, and comparison with July 1963—Continued

| Department or agency   | Personnel |           |          |          | Pay (in thousands) |           |          |          |
|--|-----------|-----------|----------|----------|--------------------|-----------|----------|----------|
|  | September | August    | Increase | Decrease | August             | July      | Increase | Decrease |
| Independent agencies—Continued                                       |           |           |          |          |                    |           |          |          |
| Federal Home Loan Bank Board   | 1,234     | 1,245     |          | 11       | \$867              | \$906     |          | \$39     |
| Federal Maritime Commission  | 240       | 243       |          | 3        | 189                | 192       |          | 3        |
| Federal Mediation and Conciliation Service                           | 398       | 399       |          | 1        | 358                | 376       |          | 18       |
| Federal Power Commission   | 1,154     | 1,209     |          | 55       | 855                | 903       |          | 48       |
| Federal Radiation Council <sup>1</sup>                               | 4         |           |          |          |                    |           |          |          |
| Federal Trade Commission   | 1,155     | 1,614     | 4        | 9        | 868                | 885       |          | 17       |
| Foreign Claims Settlement Commission                                 | 150       | 144       | 6        |          | 86                 | 86        |          |          |
| General Accounting Office  | 4,511     | 4,591     |          | 80       | 3,093              | 3,225     |          | 132      |
| General Services Administration                                      | 32,993    | 33,017    |          | 24       | 16,755             | 17,247    |          | 492      |
| Government Printing Office   | 7,244     | 7,241     | 3        |          | 4,899              | 4,784     |          | 385      |
| Housing and Home Finance Agency                                      | 14,117    | 14,189    |          | 72       | 9,040              | 9,443     |          | 403      |
| Indian Claims Commission   | 21        | 21        |          |          | 21                 | 28        |          | 7        |
| Interstate Commerce Commission                                       | 2,411     | 2,413     |          | 2        | 1,711              | 1,788     |          | 77       |
| National Aeronautics and Space Administration                        | 29,963    | 30,538    |          | 575      | 24,422             | 22,768    | \$1,654  |          |
| National Capital Housing Authority                                   | 441       | 435       | 6        |          | 208                | 219       |          | 11       |
| National Capital Planning Commission                                 | 59        | 64        |          | 5        | 45                 | 54        |          | 9        |
| National Capital Transportation Agency                               | 65        | 74        |          | 9        | 58                 | 64        |          | 6        |
| National Gallery of Art  | 310       | 316       |          | 6        | 140                | 149       |          | 9        |
| National Labor Relations Board                                       | 1,988     | 2,017     |          | 29       | 1,455              | 1,516     |          | 61       |
| National Mediation Board   | 138       | 128       | 10       |          | 94                 | 118       |          | 24       |
| National Science Foundation  | 963       | 971       |          | 8        | 687                | 733       |          | 46       |
| Panama Canal   | 14,970    | 14,987    |          | 17       | 7,625              | 5,020     | 2,605    |          |
| President's Committee on Equal Employment Opportunity                | 57        | 57        |          |          | 41                 | 43        |          | 2        |
| Railroad Retirement Board  | 1,936     | 1,963     |          | 27       | 1,126              | 1,174     |          | 48       |
| Renegotiation Board  | 220       | 219       | 1        |          | 182                | 197       |          | 15       |
| St. Lawrence Seaway Development Corporation                          | 163       | 169       |          | 6        | 103                | 106       |          | 3        |
| Securities and Exchange Commission                                   | 1,359     | 1,391     |          | 32       | 983                | 1,021     |          | 38       |
| Selective Service System   | 6,889     | 6,928     |          | 39       | 2,268              | 2,366     |          | 98       |
| Small Business Administration  | 3,381     | 3,398     |          | 17       | 2,246              | 2,338     |          | 92       |
| Smithsonian Institution  | 1,482     | 1,580     |          | 98       | 851                | 851       |          |          |
| Soldiers' Home   | 1,073     | 1,084     |          | 11       | 365                | 379       |          | 14       |
| South Carolina, Georgia, Alabama, and Florida Water Study Commission | 11        | 15        |          | 4        | 7                  | 11        |          | 4        |
| Subversive Activities Control Board                                  | 25        | 25        |          |          | 20                 | 21        |          | 1        |
| Tariff Commission  | 275       | 283       |          | 8        | 208                | 217       |          | 9        |
| Tax Court of the United States                                       | 156       | 158       |          | 2        | 126                | 130       |          | 4        |
| Tennessee Valley Authority   | 17,788    | 17,984    |          | 196      | 11,323             | 11,743    |          | 420      |
| U.S. Arms Control and Disarmament Agency                             | 151       | 168       |          | 17       | 123                | 150       |          | 27       |
| U.S. Information Agency  | 11,999    | 11,982    | 17       |          | 5,712              | 4,262     | 1,450    |          |
| Veterans' Administration   | 172,759   | 172,577   | 182      |          | 80,068             | 84,068    |          | 3,990    |
| Virgin Islands Corporation   | 553       | 616       |          | 63       | 126                | 146       |          | 20       |
| Total, excluding Department of Defense                               | 1,445,752 | 1,462,235 | 301      | 16,784   | 778,910            | 792,171   | 6,212    | 19,473   |
| Net decrease, excluding Department of Defense                        |           |           | 16,483   |          |                    |           | 13,261   |          |
| Department of Defense:   |           |           |          |          |                    |           |          |          |
| Office of the Secretary of Defense                                   | 2,154     | 2,203     |          | 49       | 1,511              | 1,897     |          | 386      |
| Department of the Army   | 374,791   | 378,712   |          | 3,921    | 195,930            | 196,601   |          | 671      |
| Department of the Navy   | 340,919   | 343,864   |          | 2,945    | 193,196            | 198,738   |          | 5,542    |
| Department of the Air Force  | 297,269   | 297,173   | 96       |          | 155,524            | 163,725   |          | 8,201    |
| Defense Atomic Support Agency  | 1,996     | 2,010     |          | 14       | 1,029              | 1,060     |          | 31       |
| Defense Communications Agency  | 626       | 593       | 33       |          | 383                | 392       |          | 9        |
| Defense Supply Agency  | 25,422    | 24,951    | 471      |          | 12,695             | 13,749    |          | 1,054    |
| Office of Civil Defense  | 1,050     | 1,097     |          | 47       | 946                | 906       | 40       |          |
| U.S. Court of Military Appeals                                       | 39        | 40        |          | 1        | 34                 | 36        |          | 2        |
| Interdepartmental activities   | 13        | 14        |          | 1        | 9                  | 9         |          |          |
| International military activities                                    | 60        | 59        | 1        |          | 42                 | 43        |          | 1        |
| Armed Forces information and education activities                    | 421       | 420       | 1        |          | 220                | 233       |          | 13       |
| Classified activities  | 1,657     | 1,662     |          | 5        | 1,043              | 618       | 425      |          |
| Total, Department of Defense   | 1,046,417 | 1,052,798 | 602      | 6,983    | 562,562            | 578,027   | 465      | 15,930   |
| Net decrease, Department of Defense                                  |           |           | 6,381    |          |                    |           | 15,465   |          |
| Grand total, including Department of Defense <sup>1</sup>            | 2,492,169 | 2,515,033 | 903      | 23,767   | 1,341,472          | 1,370,198 | 6,677    | 35,403   |
| Net decrease, including Department of Defense                        |           |           | 22,864   |          |                    |           | 28,726   |          |

<sup>1</sup> Revised on basis of later information.<sup>2</sup> September figure includes 17,054 employees of the Agency for International Development as compared with 17,242 in August and their pay. These AID figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The September figure includes 4,654 of these trust fund employees and the August figure includes 4,674.<sup>3</sup> September figure includes 1,012 employees of the Peace Corps as compared with 1,075 in August and their pay.<sup>4</sup> New agency, created pursuant to Public Law 86-373.<sup>5</sup> Exclusive of personnel and pay of the Central Intelligence Agency and the National Security Agency.<sup>6</sup> Includes employment by Federal agencies under the Public Works Acceleration Act (Public Law 87-658), as follows:

| Agency                     | September | August | Change |
|----------------------------|-----------|--------|--------|
| Agriculture Department     | 3,897     | 1,881  | +2,016 |
| Interior Department        | 3,038     | 528    | +2,510 |
| Tennessee Valley Authority | 61        | 60     | +1     |
| Total                      | 6,996     | 2,469  | +4,527 |

TABLE II.—Federal personnel inside the United States employed by the executive agencies during September 1963, and comparison with August 1963

| Department or agency  | September | August  | Increase | Decrease |
|---|-----------|---------|----------|----------|
| Executive departments (except Department of Defense):       |           |         |          |          |
| Agriculture   | 107,065   | 113,598 |          | 6,533    |
| Commerce  | 30,521    | 31,546  |          | 1,025    |
| Health, Education, and Welfare                              | 80,843    | 82,171  |          | 1,328    |
| Interior  | 67,585    | 69,299  |          | 1,714    |
| Justice   | 31,587    | 31,758  |          | 171      |
| Labor   | 9,391     | 9,578   |          | 187      |
| Post Office   | 596,252   | 588,669 |          | 2,417    |
| State <sup>1</sup>  | 10,736    | 11,118  |          | 382      |
| Treasury  | 85,048    | 86,065  |          | 1,017    |
| Executive Office of the President:                          |           |         |          |          |
| White House Office  | 375       | 380     |          | 5        |
| Bureau of the Budget  | 482       | 498     |          | 16       |
| Council of Economic Advisers                                | 47        | 46      | 1        |          |
| Executive Mansion and Grounds                               | 74        | 77      |          | 3        |
| National Aeronautics and Space Council                      | 29        | 30      |          | 1        |
| National Security Council                                   | 42        | 40      | 2        |          |
| Office of Emergency Planning                                | 467       | 470     |          | 3        |
| Office of Science and Technology                            | 109       | 50      | 59       |          |
| Office of the Special Representative for Trade Negotiations | 27        | 26      | 1        |          |

See footnotes at end of table.

TABLE II.—Federal personnel inside the United States employed by the executive agencies during September 1963, and comparison with August 1963—Continued

| Department or agency  | September | August | Increase | Decrease | Department or agency   | September | August    | Increase | Decrease |
|---|-----------|--------|----------|----------|--|-----------|-----------|----------|----------|
| Executive Office of the President—Continued                     |           |        |          |          | Independent agencies—Continued                                       |           |           |          |          |
| President's Commission on Registration and Voting Participation | 7         | 17     |          | 10       | President's Committee on Equal Employment Opportunity                | 57        | 57        |          |          |
| President's Committee on Equal Opportunity in Housing           | 4         | 4      |          |          | Railroad Retirement Board  | 1,938     | 1,963     |          | 25       |
| Independent agencies:   |           |        |          |          | Renegotiation Board  | 220       | 219       | 1        |          |
| Advisory Commission on Intergovernmental Relations              | 32        | 27     | 5        |          | St. Lawrence Seaway Development Corporation                          | 163       | 169       |          | 6        |
| American Battle Monuments Commission                            | 7         | 7      |          |          | Security and Exchange Commission                                     | 1,359     | 1,391     |          | 32       |
| Atomic Energy Commission  | 7,194     | 7,231  |          | 37       | Selective Service System   | 6,740     | 6,779     |          | 39       |
| Board of Governors of the Federal Reserve System                | 616       | 624    |          | 8        | Small Business Administration  | 3,324     | 3,343     |          | 19       |
| Civil Aeronautics Board   | 858       | 861    |          | 3        | Smithsonian Institution  | 1,468     | 1,562     |          | 96       |
| Civil Service Commission  | 4,035     | 4,070  |          | 35       | Soldiers' Home   | 1,073     | 1,084     |          | 11       |
| Civil War Centennial Commission                                 | 5         | 5      |          |          | South Carolina, Georgia, Alabama, and Florida Water Study Commission | 11        | 15        |          | 4        |
| Commission of Fine Arts   | 6         | 6      |          |          | Subversive Activities Control Board                                  | 25        | 25        |          |          |
| Commission on Civil Rights                                      | 62        | 90     |          | 28       | Tariff Commission  | 275       | 283       |          | 8        |
| Delaware River Basin Commission                                 | 2         | 2      |          |          | Tax Court of the United States                                       | 155       | 158       |          | 2        |
| Export-Import Bank of Washington                                | 293       | 299    |          | 6        | Tennessee Valley Authority   | 17,788    | 17,983    |          | 195      |
| Farm Credit Administration                                      | 240       | 237    | 3        |          | U.S. Arms Control and Disarmament Agency                             | 151       | 168       |          | 17       |
| Federal Aviation Agency   | 45,107    | 45,507 |          | 400      | U.S. Information Agency  | 3,378     | 3,416     |          | 38       |
| Federal Coal Mine Safety Board of Review                        | 7         | 7      |          |          | Veterans' Administration   | 171,763   | 171,578   | 185      |          |
| Federal Communications Commission                               | 1,460     | 1,530  |          | 70       | Total, excluding Department of Defense                               | 1,381,097 | 1,397,616 | 290      | 16,809   |
| Federal Deposit Insurance Corporation                           | 1,272     | 1,302  |          | 30       | Net decrease, excluding Department of Defense                        |           |           | 16,519   |          |
| Federal Home Loan Bank Board                                    | 1,234     | 1,245  |          | 11       |  |           |           |          |          |
| Federal Maritime Commission                                     | 240       | 243    |          | 3        | Department of Defense:   |           |           |          |          |
| Federal Mediation and Conciliation Service                      | 398       | 399    |          | 1        | Office of the Secretary of Defense                                   | 2,101     | 2,143     |          | 42       |
| Federal Power Commission  | 1,154     | 1,209  |          | 55       | Department of the Army   | 323,381   | 327,698   |          | 4,217    |
| Federal Radiation Council                                       | 4         | 4      |          |          | Department of the Navy   | 316,245   | 319,248   |          | 3,003    |
| Federal Trade Commission  | 1,155     | 1,164  |          | 9        | Department of the Air Force  | 269,972   | 271,698   |          | 1,726    |
| Foreign Claims Settlement Commission                            | 4,420     | 4,493  |          | 73       | Defense Atomic Support Agency  | 1,906     | 2,010     |          | 104      |
| General Accounting Office                                       | 32,970    | 32,993 |          | 23       | Defense Communications Agency  | 585       | 565       | 20       |          |
| General Services Administration                                 | 7,244     | 7,241  | 3        |          | Defense Supply Agency  | 25,422    | 24,651    | 471      |          |
| Government Printing Office                                      | 13,927    | 13,996 |          | 69       | Office of Civil Defense  | 1,050     | 1,097     |          | 477      |
| Housing and Home Finance Agency                                 | 21        | 21     |          |          | U.S. Courts of Military Appeals                                      | 39        | 40        |          | 1        |
| Indian Claims Commission  | 2,411     | 2,413  |          | 2        | Interdepartmental activities   | 13        | 13        |          |          |
| Interstate Commerce Commission                                  | 29,950    | 30,525 |          | 575      | International military activities                                    | 36        | 37        |          | 1        |
| National Aeronautics and Space Administration                   | 441       | 435    | 6        |          | Armed Forces information and education activities                    | 421       | 420       | 1        |          |
| National Capital Housing Authority                              | 59        | 64     |          | 5        | Classified activities  | 1,657     | 1,662     |          | 5        |
| National Capital Planning Commission                            | 65        | 74     |          | 9        | Total, Department of Defense   | 942,928   | 951,482   | 502      | 9,056    |
| National Capital Transportation Agency                          | 310       | 316    |          | 6        | Net decrease, Department of Defense                                  |           |           | 8,554    |          |
| National Labor Relations Board                                  | 1,955     | 1,984  |          | 29       |  |           |           |          |          |
| National Mediation Board  | 138       | 128    | 10       |          | Grand total, including Department of Defense                         | 2,324,025 | 2,349,098 | 792      | 25,805   |
| National Science Foundation                                     | 949       | 958    |          | 9        | Net decrease, including Department of Defense                        |           |           | 25,073   |          |
| Panama Canal  | 170       | 167    | 3        |          |  |           |           |          |          |

<sup>1</sup> Revised on basis of later information.

<sup>2</sup> September figure includes 2,895 employees of the Agency for International Development as compared with 3,050 in August.

<sup>3</sup> September figure includes 647 employees of the Peace Corps as compared with 719 in August.

<sup>4</sup> New agency, created pursuant to Public Law 86-373.

TABLE III.—Federal personnel outside the United States employed by the executive agencies during September 1963, and comparison with August 1963

| Department or agency                                  | September | August | Increase | Decrease | Department or agency                          | September | August  | Increase | Decrease |
|---|-----------|--------|----------|----------|---|-----------|---------|----------|----------|
| Executive departments (except Department of Defense): |           |        |          |          | Independent agencies—Continued                |           |         |          |          |
| Agriculture   | 1,300     | 1,245  | 55       |          | Small Business Administration                 | 57        | 55      | 2        |          |
| Commerce  | 654       | 666    |          | 12       | Smithsonian Institution                       | 16        | 18      |          | 2        |
| Health, Education, and Welfare                        | 648       | 649    |          | 1        | Tennessee Valley Authority                    |           | 1       |          | 1        |
| Interior  | 567       | 535    | 32       |          | U.S. Information Agency                       | 8,621     | 8,566   | 55       |          |
| Justice   | 366       | 369    |          | 3        | Veterans' Administration                      | 996       | 999     |          | 3        |
| Labor   | 108       | 92     | 16       |          | Virgin Islands Corporation                    | 553       | 616     |          | 63       |
| Post Office   | 1,502     | 1,493  | 9        |          | Total, excluding Department of Defense        | 64,655    | 64,619  | 172      | 136      |
| State <sup>1</sup>                                    | 31,781    | 31,793 |          | 12       | Net increase, excluding Department of Defense |           |         | 36       |          |
| Treasury  | 613       | 613    |          |          |   |           |         |          |          |
| Independent agencies:                                 |           |        |          |          | Department of Defense:                        |           |         |          |          |
| American Battle Monuments Commission                  | 429       | 428    | 1        |          | Office of the Secretary of Defense            | 53        | 60      |          | 7        |
| Atomic Energy Commission                              | 33        | 36     |          | 3        | Department of the Army                        | 51,410    | 51,114  | 296      |          |
| Civil Aeronautics Board                               | 1         | 1      |          |          | Department of the Navy                        | 24,674    | 24,616  | 58       |          |
| Civil Service Commission                              | 3         | 3      |          |          | Department of the Air Force                   | 27,297    | 25,475  | 1,822    |          |
| Federal Aviation Agency                               | 1,050     | 1,060  |          | 10       | Defense Communications Agency                 | 31        | 28      | 3        |          |
| Federal Communications Commission                     | 2         | 2      |          |          | Interdepartmental activities                  | 1         | 1       |          |          |
| Federal Deposit Insurance Corporation                 | 40        | 41     |          | 1        | International military activities             | 24        | 22      | 2        |          |
| Foreign Claims Settlement Commission                  | 91        | 93     |          | 2        | Total, Department of Defense                  | 103,489   | 101,316 | 2,181    | 8        |
| General Accounting Office                             | 23        | 22     | 1        |          | Net increase, Department of Defense           |           |         | 2,173    |          |
| General Services Administration                       | 190       | 193    |          | 3        |   |           |         |          |          |
| Housing and Home Finance Agency                       | 13        | 13     |          |          | Grand total, including Department of Defense  | 168,144   | 165,935 | 2,353    | 144      |
| National Aeronautics and Space Administration         | 33        | 33     |          |          | Net increase, including Department of Defense |           |         | 2,209    |          |
| National Labor Relations Board                        | 14        | 13     | 1        |          |   |           |         |          |          |
| National Science Foundation                           | 14,800    | 14,820 |          | 20       |   |           |         |          |          |
| Panama Canal  | 149       | 149    |          |          |   |           |         |          |          |
| Selective Service System                              |           |        |          |          |   |           |         |          |          |

<sup>1</sup> Revised on basis of later information.

<sup>2</sup> September figure includes 14,159 employees of the Agency for International Development as compared with 14,192 in August. These AID figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund

for this purpose. The September figure includes 4,654 of these trust fund employees and the August figure includes 4,674.

<sup>3</sup> September figure includes 365 employees of the Peace Corps as compared with 356 in August.



TABLE IV.—Industrial employees of the Federal Government inside and outside the United States employed by the executive agencies during September 1963, and comparison with August 1963

| Department or agency                                  | September | August | Increase | Decrease | Department or agency                               | September            | August               | Increase | Decrease |
|---|-----------|--------|----------|----------|--|----------------------|----------------------|----------|----------|
| Executive departments (except Department of Defense): |           |        |          |          | Department of Defense:                             |                      |                      |          |          |
| Agriculture.....                                      | 3,853     | 3,973  | -----    | 120      | Department of the Army:                            |                      |                      |          |          |
| Commerce.....   | 5,624     | 5,796  | -----    | 172      | Inside the United States.....                      | <sup>1</sup> 138,974 | <sup>2</sup> 140,791 | -----    | 1,817    |
| Interior.....   | 8,852     | 9,015  | -----    | 163      | Outside the United States.....                     | <sup>1</sup> 4,635   | <sup>2</sup> 4,609   | -----    | 26       |
| Post Office.....                                      | 262       | 270    | -----    | 8        | Department of the Navy:                            |                      |                      |          |          |
| Treasury.....   | 5,363     | 5,311  | 52       | -----    | Inside the United States.....                      | 196,002              | 197,437              | -----    | 1,435    |
| Independent agencies:                                 |           |        |          |          | Outside the United States.....                     | 1,273                | 1,263                | -----    | 10       |
| Atomic Energy Commission.....                         | 262       | 279    | -----    | 17       | Department of the Air Force:                       |                      |                      |          |          |
| Federal Aviation Agency.....                          | 2,965     | 3,076  | -----    | 111      | Inside the United States.....                      | 128,758              | 129,757              | -----    | 999      |
| General Services Administration.....                  | 1,730     | 1,735  | -----    | 5        | Outside the United States.....                     | 1,083                | 1,082                | -----    | 1        |
| Government Printing Office.....                       | 7,244     | 7,241  | 3        | -----    | Defense Supply Agency:                             |                      |                      |          |          |
| National Aeronautics and Space Administration.....    | 29,963    | 30,538 | -----    | 575      | Inside the United States.....                      | 1,773                | 1,783                | -----    | 10       |
| Panama Canal.....                                     | 7,427     | 7,593  | -----    | 166      | Total, Department of Defense.....                  | 472,498              | 476,722              | -----    | 37       |
| St. Lawrence Seaway Development Corporation.....      | 162       | 164    | -----    | 2        | Net decrease, Department of Defense.....           |                      |                      |          | 4,224    |
| Tennessee Valley Authority.....                       | 14,598    | 14,783 | -----    | 185      | Grand total, including Department of Defense.....  | 561,356              | 567,112              | -----    | 92       |
| Virgin Islands Corporation.....                       | 553       | 616    | -----    | 63       | Net decrease, including Department of Defense..... |                      |                      |          | 5,756    |
| Total, excluding Department of Defense.....           | 88,858    | 90,390 | 55       | 1,587    |  |                      |                      |          |          |
| Net decrease, excluding Department of Defense.....    |           |        |          | 1,532    |  |                      |                      |          |          |

<sup>1</sup> Subject to revision.<sup>2</sup> Revised on basis of later information.

TABLE V.—Foreign nationals working under U.S. agencies overseas, excluded from tables I through IV of this report, whose services are provided by contractual agreement between the United States and foreign governments, or because of the nature of their work or the source of funds from which they are paid, as of September 1963 and comparison with August 1963

| Country          | Total     |         | Army      |         | Navy      |                     | Air Force |        |
|------------------|-----------|---------|-----------|---------|-----------|---------------------|-----------|--------|
|                  | September | August  | September | August  | September | August              | September | August |
| Canada.....      | 24        | 33      |           |         |           |                     | 24        | 33     |
| Crete.....       | 83        | 78      |           |         |           |                     | 83        | 78     |
| England.....     | 2,987     | 2,974   |           |         | 119       | 121                 | 2,868     | 2,853  |
| France.....      | 21,175    | 21,219  | 17,321    | 17,341  | 12        | 12                  | 3,842     | 3,866  |
| Germany.....     | 77,619    | 78,132  | 65,633    | 66,106  | 85        | 86                  | 11,901    | 11,940 |
| Greece.....      | 258       | 247     |           |         |           |                     | 258       | 247    |
| Japan.....       | 50,234    | 50,599  | 17,638    | 17,804  | 14,330    | <sup>1</sup> 14,423 | 18,266    | 18,372 |
| Korea.....       | 6,226     | 6,214   | 6,226     | 6,214   |           |                     |           |        |
| Morocco.....     | 1,397     | 1,496   |           |         | 736       | <sup>1</sup> 740    | 661       | 756    |
| Netherlands..... | 57        | 56      |           |         |           |                     | 57        | 56     |
| Trinidad.....    | 540       | 552     |           |         | 540       | 552                 |           |        |
| Total.....       | 160,600   | 161,600 | 106,818   | 107,465 | 15,822    | 15,934              | 37,960    | 38,201 |

<sup>1</sup> Revised on basis of later information.

## STATEMENT BY SENATOR BYRD OF VIRGINIA

Executive agencies of the Federal Government reported civilian employment in the month of September totaling 2,492,169, compared with 2,515,033 in August. This was a net decrease of 22,864, including a net increase of 4,527 in temporary employment under the public works acceleration program authorized by Public Law 87-658.

Civilian employment reported by the executive agencies of the Federal Government, by months in fiscal year 1964, which began July 1, 1963, follows:

| Month          | Employment | Increase | Decrease |
|----------------|------------|----------|----------|
| July.....      | 2,518,858  | 9,149    | -----    |
| August.....    | 2,515,033  | -----    | 3,824    |
| September..... | 2,492,169  | -----    | 22,864   |

Total Federal employment in civilian agencies for the month of September was 1,445,752, a decrease of 16,483 as compared with the August total of 1,462,235. Total civilian employment in the military agencies in September was 1,046,417, a decrease of 6,381 as compared with 1,052,798 in August.

Civilian agencies reporting larger decreases were Agriculture Department with 6,478, Post Office Department with 2,408, Interior De-

partment with 1,682, Health, Education, and Welfare Department with 1,329, Commerce Department with 1,037, Treasury Department with 1,017 and National Aeronautics and Space Administration with 575. The decreases in Agriculture and Interior Departments were largely seasonal.

In the Department of Defense the largest decreases in civilian employment were reported by the Department of the Army with 3,921 and the Department of the Navy with 2,945. The Defense Supply Agency reported the largest increase with 471.

Inside the United States, civilian employment decreased 25,073 and outside the United States, civilian employment increased 2,209. Industrial employment by Federal agencies in September totaled 561,356, a decrease of 5,756.

These figures are from reports certified by the agencies as compiled by the Joint Committee on Reduction of Nonessential Federal Expenditures.

## FOREIGN NATIONALS

The total of 2,492,169 civilian employees certified to the committee by Federal agencies in their regular monthly personnel reports includes some foreign nationals employed in U.S. Government activities abroad, but in addition to these there were 160,600 foreign nationals working for U.S. agencies overseas during September who were not counted in the usual personnel reports. The

number in August was 161,600. A breakdown of this employment for September follows:

| Country          | Total   | Army    | Navy   | Air Force |
|------------------|---------|---------|--------|-----------|
| Canada.....      | 24      |         |        | 24        |
| Crete.....       | 83      |         |        | 83        |
| England.....     | 2,987   |         | 119    | 2,868     |
| France.....      | 21,175  | 17,321  | 12     | 3,842     |
| Germany.....     | 77,619  | 65,633  | 85     | 11,901    |
| Greece.....      | 258     |         |        | 258       |
| Japan.....       | 50,234  | 17,638  | 14,330 | 18,266    |
| Korea.....       | 6,226   | 6,226   |        |           |
| Morocco.....     | 1,397   |         | 736    | 661       |
| Netherlands..... | 57      |         |        | 57        |
| Trinidad.....    | 540     |         | 540    |           |
| Total.....       | 160,600 | 106,818 | 15,822 | 37,960    |

## REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—FEDERAL STOCKPILE INVENTORIES

Mr. BYRD of Virginia. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit a report on Federal stockpile inventories as of June 1963. I ask unanimous consent to have the report printed in the RECORD, together with a statement by me.

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

FEDERAL STOCKPILE INVENTORIES, JUNE 1963  
INTRODUCTION

This is the 43d in a series of monthly reports on Federal stockpile inventories. It is for the month of June 1963.

The report is compiled from official data on quantities and cost value of commodities in these stockpiles submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures by the Departments of

Agriculture, Defense, Health, Education, and Welfare, Interior, and the General Services Administration.

The cost value of materials in inventories covered in this report, as of June 1, 1963, totaled \$14,199,994,358, and as of June 30, 1963, they totaled \$13,821,993,372, a net decrease of \$378,000,986 during the month.

Different units of measure make it impossible to summarize the quantities of commodities and materials which are shown in tables 1, 2, 3, 4, and 5, but the cost value figures are summarized by major category, as follows:

Summary of cost value of stockpile inventories by major category

| Major category  | Beginning of month, June 1, 1963 | End of month, June 30, 1963 | Net change during month |
|---|----------------------------------|-----------------------------|-------------------------|
| Strategic and critical materials:   |                                  |                             |                         |
| National stockpile <sup>1</sup>   | \$5,838,070,100                  | \$5,814,508,200             | -\$21,561,900           |
| Defense Production Act  | 1,500,410,200                    | 1,499,504,900               | -905,300                |
| Supplemental—barter   | 1,331,724,514                    | 1,338,072,033               | +6,347,519              |
| Total, strategic and critical materials <sup>1</sup>                          | 8,670,204,814                    | 8,654,085,133               | -16,119,681             |
| Agricultural commodities:   |                                  |                             |                         |
| Price support inventory   | 5,078,707,963                    | 4,715,435,333               | -363,272,630            |
| Inventory transferred from national stockpile                                 | 127,608,991                      | 127,608,991                 | —                       |
| Total, agricultural commodities <sup>1</sup>                                  | 5,206,316,954                    | 4,843,044,324               | -363,272,630            |
| Civil defense supplies and equipment:   |                                  |                             |                         |
| Civil defense stockpile, Department of Defense                                | 36,515,880                       | 36,568,627                  | +52,747                 |
| Civil defense medical stockpile, Department of Health, Education, and Welfare | 185,856,386                      | 187,671,055                 | +1,814,669              |
| Total, civil defense supplies and equipment                                   | 222,372,266                      | 224,239,682                 | +1,867,416              |
| Machine tools:  |                                  |                             |                         |
| Defense Production Act  | 2,208,600                        | 2,208,600                   | —                       |
| National Industrial Reserve Act   | 91,807,300                       | 90,108,500                  | -1,698,800              |
| Total, machine tools  | 94,015,900                       | 92,317,100                  | -1,698,800              |
| Helium  | 7,084,424                        | 8,307,133                   | +1,222,709              |
| Total, all inventories  | 14,199,994,358                   | 13,821,993,372              | -378,000,986            |

<sup>1</sup> Cotton inventory valued at \$128,409,100 withdrawn from the national stockpile and transferred to Commodity Credit Corporation for disposal, pursuant to Public Law 87-548, during August 1962.

Detailed tables in this report show each commodity, by the major categories summarized above, in terms of quantity and cost value as of the beginning and end of the

month. Net change figures reflect acquisitions, disposals, and accounting and other adjustments during the month.

The cost value figures represent generally the original acquisition cost of the commodities delivered to permanent storage locations, together with certain packaging, processing, upgrading, et cetera, costs as carried in agency inventory accounts. Quantities are stated in the designated stockpile unit of measure.

Appendix A to this report includes program descriptions and statutory citations pertinent to each stockpile inventory within the major categories.

The stockpile inventories covered by the report are tabulated in detail as follows:

Table 1: Strategic and critical materials inventories (all grades), June 1963 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month).

Table 2: Agricultural commodities inventories, June 1963 (showing by commodity net changes during the month in terms of cost value and quantity).

Table 3: Civil defense supplies and equipment inventories, June 1963 (showing by item net changes during the month in terms of cost value and quantity).

Table 4: Machine tools inventories, June 1963 (showing by item net changes during the month in terms of cost value and quantity).

Table 5: Helium inventories, June 1963 (showing by item net changes during the month in terms of cost value and quantity).

New stockpile objectives

The Office of Emergency Planning is in the process of establishing new objectives for strategic and critical materials. Table 1 of this report reflects the new objectives for eight materials: Aluminum, castor oil, copper, feathers and down, lead, opium, tin, and zinc.

Appendix B contains excerpts from a statement by the Office of Emergency Planning setting forth the new policy with respect to objectives for strategic and critical materials.

TABLE 1.—Strategic and critical materials inventories (all grades), June 1963 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)

| Commodity                       | Cost value                       |                             |                         | Unit of measure | Quantity                         |                             |                         |                                |                               |
|---------------------------------|----------------------------------|-----------------------------|-------------------------|-----------------|----------------------------------|-----------------------------|-------------------------|--------------------------------|-------------------------------|
|                                 | Beginning of month, June 1, 1963 | End of month, June 30, 1963 | Net change during month |                 | Beginning of month, June 1, 1963 | End of month, June 30, 1963 | Net change during month | Maximum objective <sup>1</sup> | Excess over maximum objective |
| Aluminum, metal:                |                                  |                             |                         |                 |                                  |                             |                         |                                |                               |
| National stockpile              | \$487,680,600                    | \$487,680,600               | —                       | Short ton       | 1,128,989                        | 1,128,989                   | —                       |                                |                               |
| Defense Production Act          | 436,195,600                      | 437,587,600                 | +\$1,392,000            | do              | 863,515                          | 866,581                     | +3,066                  |                                |                               |
| Total                           | 923,876,200                      | 925,268,200                 | +1,392,000              | do              | 1,992,504                        | 1,995,570                   | +3,066                  | 2,450,000                      | 1,545,570                     |
| Aluminum oxide, abrasive grain: |                                  |                             |                         |                 |                                  |                             |                         |                                |                               |
| Supplemental—barter             | 12,548,141                       | 14,112,607                  | +1,564,466              | do              | 42,033                           | 47,305                      | +5,272                  | (?)                            | 47,305                        |
| Aluminum oxide, fused, crude:   |                                  |                             |                         |                 |                                  |                             |                         |                                |                               |
| National stockpile              | 21,735,100                       | 21,735,100                  | —                       | Short dry ton   | 200,093                          | 200,093                     | —                       |                                |                               |
| Supplemental—barter             | 22,747,400                       | 22,747,400                  | —                       | do              | 178,266                          | 178,266                     | —                       |                                |                               |
| Total                           | 44,482,500                       | 44,482,500                  | —                       | do              | 378,359                          | 378,359                     | —                       | 200,000                        | 178,359                       |
| Antimony:                       |                                  |                             |                         |                 |                                  |                             |                         |                                |                               |
| National stockpile              | 20,488,000                       | 20,488,000                  | —                       | Short ton       | 30,301                           | 30,301                      | —                       |                                |                               |
| Supplemental—barter             | 11,775,508                       | 12,245,709                  | +470,201                | do              | 20,387                           | 21,072                      | +685                    |                                |                               |
| Total                           | 32,263,508                       | 32,733,709                  | +470,201                | do              | 50,688                           | 51,373                      | +685                    | 70,000                         | (4)                           |
| Asbestos, amosite:              |                                  |                             |                         |                 |                                  |                             |                         |                                |                               |
| National stockpile              | 2,637,600                        | 2,637,600                   | —                       | do              | 11,705                           | 11,705                      | —                       |                                |                               |
| Supplemental—barter             | 5,924,711                        | 6,325,124                   | +400,413                | do              | 23,662                           | 25,600                      | +1,938                  |                                |                               |
| Total                           | 8,562,311                        | 8,962,724                   | +400,413                | do              | 35,367                           | 37,305                      | +1,938                  | 45,000                         | (5)                           |
| Asbestos, chrysotile:           |                                  |                             |                         |                 |                                  |                             |                         |                                |                               |
| National stockpile              | 3,356,200                        | 3,356,200                   | —                       | Short dry ton   | 6,224                            | 6,224                       | —                       |                                |                               |
| Defense Production Act          | 2,102,600                        | 2,102,600                   | —                       | do              | 2,348                            | 2,348                       | —                       |                                |                               |
| Supplemental—barter             | 3,984,500                        | 3,984,500                   | —                       | do              | 5,532                            | 5,532                       | —                       |                                |                               |
| Total                           | 9,393,300                        | 9,393,300                   | —                       | do              | 14,104                           | 14,104                      | —                       | 11,000                         | 3,104                         |

See footnotes at end of table.



TABLE 1.—Strategic and critical materials inventories (all grades), June 1963 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)—Continued

| Commodity                           | Cost value                       |                             |                         | Unit of measure   | Quantity                         |                             |                         |                                |                               |
|-------------------------------------|----------------------------------|-----------------------------|-------------------------|-------------------|----------------------------------|-----------------------------|-------------------------|--------------------------------|-------------------------------|
|                                     | Beginning of month, June 1, 1963 | End of month, June 30, 1963 | Net change during month |                   | Beginning of month, June 1, 1963 | End of month, June 30, 1963 | Net change during month | Maximum objective <sup>1</sup> | Excess over maximum objective |
| Asbestos, crocidolite:              |                                  |                             |                         |                   |                                  |                             |                         |                                |                               |
| National stockpile                  | \$702,100                        | \$702,100                   |                         | Short ton         | 1,567                            | 1,567                       |                         |                                |                               |
| Supplemental—barter                 | 6,727,616                        | 7,161,157                   | +433,541                | do                | 25,055                           | 27,203                      | +2,148                  |                                |                               |
| Total                               | 7,429,716                        | 7,863,257                   | +433,541                | do                | 26,622                           | 28,770                      | +2,148                  | (7)                            | 28,770                        |
| Bauxite, metal grade, Jamaica type: |                                  |                             |                         |                   |                                  |                             |                         |                                |                               |
| National stockpile                  | 13,925,000                       | 13,925,000                  |                         | Long dry ton      | 879,740                          | 879,740                     |                         |                                |                               |
| Defense Production Act              | 18,168,000                       | 18,168,000                  |                         | do                | 1,370,077                        | 1,370,077                   |                         |                                |                               |
| Supplemental—barter                 | 88,179,044                       | 89,245,063                  | +1,066,019              | do                | 5,698,306                        | 5,773,494                   | +75,188                 |                                |                               |
| Total                               | 120,272,044                      | 121,338,063                 | +1,066,019              | do                | 7,948,123                        | 8,023,311                   | +75,188                 | 2,600,000                      | 5,423,311                     |
| Bauxite, metal grade, Surinam type: |                                  |                             |                         |                   |                                  |                             |                         |                                |                               |
| National stockpile                  | 78,552,500                       | 78,552,500                  |                         | do                | 4,962,706                        | 4,962,706                   |                         |                                |                               |
| Supplemental—barter                 | 45,365,900                       | 45,326,200                  | -39,700                 | do                | 2,927,260                        | 2,927,260                   |                         |                                |                               |
| Total                               | 123,918,400                      | 123,878,700                 | -39,700                 | do                | 7,899,966                        | 7,899,966                   |                         | 6,400,000                      | 1,499,966                     |
| Bauxite, refractory grade:          |                                  |                             |                         |                   |                                  |                             |                         |                                |                               |
| National stockpile                  | 11,347,800                       | 11,347,800                  |                         | Long calcined ton | 99,709                           | 299,271                     |                         | 137,000                        | 162,279                       |
| Beryl:                              |                                  |                             |                         |                   |                                  |                             |                         |                                |                               |
| National stockpile                  | 9,770,200                        | 9,768,400                   | -1,800                  | Short ton         | 23,233                           | 23,230                      | -3                      |                                |                               |
| Defense Production Act              | 1,426,800                        | 1,425,800                   | -1,000                  | do                | 2,543                            | 2,543                       |                         |                                |                               |
| Supplemental—barter                 | 22,739,500                       | 22,788,000                  | +48,500                 | do                | 11,321                           | 11,321                      |                         |                                |                               |
| Total                               | 33,935,500                       | 33,982,200                  | +46,700                 | do                | 37,097                           | 37,094                      | -3                      | 23,100                         | 13,994                        |
| Beryllium metal:                    |                                  |                             |                         |                   |                                  |                             |                         |                                |                               |
| Supplemental—barter                 | 12,185,389                       | 14,253,383                  | +2,067,994              | do                | 105                              | 123                         | +18                     | (7)                            | 123                           |
| Bismuth:                            |                                  |                             |                         |                   |                                  |                             |                         |                                |                               |
| National stockpile                  | 2,674,300                        | 2,674,300                   |                         | Pound             | 1,342,402                        | 1,342,402                   |                         |                                |                               |
| Defense Production Act              | 52,400                           | 52,400                      |                         | do                | 22,901                           | 22,901                      |                         |                                |                               |
| Supplemental—barter                 | 5,519,000                        | 5,540,200                   | +21,200                 | do                | 2,506,493                        | 2,506,493                   |                         |                                |                               |
| Total                               | 8,245,700                        | 8,266,900                   | +21,200                 | do                | 3,871,796                        | 3,871,796                   |                         | 3,000,000                      | 871,796                       |
| Cadmium:                            |                                  |                             |                         |                   |                                  |                             |                         |                                |                               |
| National stockpile                  | 21,236,300                       | 20,606,600                  | -629,700                | do                | 10,817,585                       | 10,496,794                  | -320,791                |                                |                               |
| Supplemental—barter                 | 12,312,800                       | 12,327,700                  | +14,900                 | do                | 7,448,989                        | 7,448,989                   |                         |                                |                               |
| Total                               | 33,549,100                       | 32,934,300                  | -614,800                | do                | 18,266,574                       | 17,945,783                  | -320,791                | 6,500,000                      | 11,445,783                    |
| Castor oil: National stockpile      | 52,639,400                       | 51,290,600                  | -1,348,800              | do                | 201,842,565                      | 196,035,582                 | -5,806,983              | * 22,000,000                   | 174,035,582                   |
| Celestite:                          |                                  |                             |                         |                   |                                  |                             |                         |                                |                               |
| National stockpile                  | 1,412,300                        | 1,412,300                   |                         | Short dry ton     | 28,816                           | 28,816                      |                         |                                |                               |
| Supplemental—barter                 |                                  | 102,353                     | +102,353                | do                |                                  | 2,693                       | +2,693                  |                                |                               |
| Total                               | 1,412,300                        | 1,514,653                   | +102,353                | do                | 28,816                           | 31,509                      | +2,693                  | 22,000                         | 9,509                         |
| Chromite, chemical grade:           |                                  |                             |                         |                   |                                  |                             |                         |                                |                               |
| National stockpile                  | 12,286,800                       | 12,288,000                  | +1,200                  | do                | 559,452                          | 559,452                     |                         |                                |                               |
| Supplemental—barter                 | 21,442,800                       | 21,766,349                  | +323,549                | do                | 678,608                          | 699,654                     | +21,046                 |                                |                               |
| Total                               | 33,729,600                       | 34,054,349                  | +324,749                | do                | 1,238,060                        | 1,259,106                   | +21,046                 | 475,000                        | 784,106                       |
| Chromite, metallurgical grade:      |                                  |                             |                         |                   |                                  |                             |                         |                                |                               |
| National stockpile                  | 264,674,200                      | 264,674,600                 | +400                    | do                | 3,797,409                        | 3,797,409                   |                         |                                |                               |
| Defense Production Act              | 35,879,900                       | 35,879,900                  |                         | do                | 985,646                          | 985,646                     |                         |                                |                               |
| Supplemental—barter                 | 224,671,600                      | 224,671,600                 |                         | do                | 1,643,114                        | 1,643,114                   |                         |                                |                               |
| Total                               | 525,225,700                      | 525,226,100                 | +400                    | do                | 6,326,169                        | 6,326,169                   |                         | 2,700,000                      | 3,626,169                     |
| Chromite, refractory grade:         |                                  |                             |                         |                   |                                  |                             |                         |                                |                               |
| National stockpile                  | 25,149,300                       | 25,149,300                  |                         | do                | 1,047,151                        | 1,047,159                   |                         |                                |                               |
| Supplemental—barter                 | 5,578,370                        | 5,578,370                   |                         | do                | 198,624                          | 198,624                     |                         |                                |                               |
| Total                               | 30,727,670                       | 30,727,670                  |                         | do                | 1,245,783                        | 1,245,783                   |                         | 1,300,000                      | (4)                           |
| Cobalt:                             |                                  |                             |                         |                   |                                  |                             |                         |                                |                               |
| National stockpile                  | 169,286,000                      | 169,238,700                 | -47,300                 | Pound             | 76,746,986                       | 76,725,545                  | -21,441                 |                                |                               |
| Defense Production Act              | 52,074,600                       | 52,074,600                  |                         | do                | 25,194,122                       | 25,194,122                  |                         |                                |                               |
| Supplemental—barter                 | 2,169,000                        | 2,169,000                   |                         | do                | 1,077,018                        | 1,077,018                   |                         |                                |                               |
| Total                               | 223,529,600                      | 223,482,300                 | -47,300                 | do                | 103,018,126                      | 102,996,685                 | -21,441                 | 19,000,000                     | 83,996,685                    |
| Coconut oil:                        |                                  |                             |                         |                   |                                  |                             |                         |                                |                               |
| National stockpile                  | 15,856,800                       | 13,432,800                  | -2,424,000              | do                | 104,643,733                      | 88,639,435                  | -16,004,298             | (7)                            | 88,639,435                    |
| Colemanite:                         |                                  |                             |                         |                   |                                  |                             |                         |                                |                               |
| Supplemental—barter                 | 2,636,400                        | 2,636,400                   |                         | Long dry ton      | 67,636                           | 67,636                      |                         | (7)                            | 67,636                        |
| Columbium:                          |                                  |                             |                         |                   |                                  |                             |                         |                                |                               |
| National stockpile                  | 23,928,900                       | 23,919,200                  | -9,700                  | Pound             | 7,487,499                        | 7,487,499                   |                         |                                |                               |
| Defense Production Act              | 50,255,500                       | 50,238,900                  | -16,600                 | do                | 8,222,684                        | 8,222,684                   |                         |                                |                               |
| Supplemental—barter                 | 799,200                          | 799,100                     | -100                    | do                | 388,877                          | 388,877                     |                         |                                |                               |
| Total                               | 74,983,600                       | 74,957,200                  | -26,400                 | do                | 16,099,060                       | 16,099,060                  |                         | 1,900,000                      | 14,199,060                    |
| Copper:                             |                                  |                             |                         |                   |                                  |                             |                         |                                |                               |
| National stockpile                  | 522,655,900                      | 522,743,000                 | +87,100                 | Short ton         | 1,008,336                        | 1,008,313                   | -23                     |                                |                               |
| Defense Production Act              | 60,801,100                       | 60,111,000                  | -690,100                | do                | 108,435                          | 107,167                     | -1,268                  |                                |                               |
| Supplemental—barter                 | 8,198,600                        | 8,150,100                   | -48,500                 | do                | 12,382                           | 12,382                      |                         |                                |                               |
| Total                               | 591,655,600                      | 591,004,100                 | -651,500                | do                | 1,129,153                        | 1,127,862                   | -1,291                  | * 775,000                      | 352,862                       |
| Cordage fibers, abaca:              |                                  |                             |                         |                   |                                  |                             |                         |                                |                               |
| National stockpile                  | 37,741,400                       | 37,740,900                  | -500                    | Pound             | 149,737,510                      | 149,736,028                 | -1,482                  | 150,000,000                    | (4)                           |

See footnotes at end of table.

TABLE 1.—Strategic and critical materials inventories (all grades), June 1963 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)—Continued

| Commodity   | Cost value                       |                             |                         | Unit of measure    | Quantity                         |                             |                         |                                |                               |
|---|----------------------------------|-----------------------------|-------------------------|--------------------|----------------------------------|-----------------------------|-------------------------|--------------------------------|-------------------------------|
|   | Beginning of month, June 1, 1963 | End of month, June 30, 1963 | Net change during month |                    | Beginning of month, June 1, 1963 | End of month, June 30, 1963 | Net change during month | Maximum objective <sup>1</sup> | Excess over maximum objective |
| Cordage fibers, sisal:<br>National stockpile.....                       | \$42,872,500                     | \$42,766,900                | —\$105,600              | Pound.....         | 316,649,462                      | 315,983,593                 | —665,869                | 320,000,000                    | (4)                           |
| Corundum:<br>National stockpile.....                                    | 393,100                          | 393,100                     | .....                   | Short ton.....     | 2,008                            | 2,008                       | .....                   | 2,000                          | 8                             |
| Cryolite:<br>Defense Production Act.....                                | 7,242,300                        | 7,092,000                   | —150,300                | do.....            | 26,227                           | 25,683                      | —544                    | (2)                            | 25,683                        |
| Diamond dies:<br>National stockpile.....                                | 490,300                          | 483,600                     | —6,700                  | Piece.....         | 16,057                           | 16,057                      | .....                   | 25,000                         | (4)                           |
| Diamond, industrial, crushing bort:<br>National stockpile.....          | 61,609,500                       | 61,609,500                  | .....                   | Carat.....         | 31,113,411                       | 31,113,411                  | .....                   | .....                          | .....                         |
| Supplemental—barter.....  | 15,456,700                       | 15,456,700                  | .....                   | do.....            | 5,523,748                        | 5,523,748                   | .....                   | .....                          | .....                         |
| Total.....  | 77,066,200                       | 77,066,200                  | .....                   | do.....            | 36,637,159                       | 36,637,159                  | .....                   | 30,000,000                     | 6,637,159                     |
| Diamond, industrial, stones:<br>National stockpile.....                 | 100,501,500                      | 100,501,500                 | .....                   | do.....            | 9,315,183                        | 9,315,183                   | .....                   | .....                          | .....                         |
| Supplemental—barter.....  | 186,481,478                      | 186,668,300                 | +186,822                | do.....            | 15,452,658                       | 15,452,658                  | .....                   | .....                          | .....                         |
| Total.....  | 286,982,978                      | 287,169,800                 | +186,822                | do.....            | 24,767,841                       | 24,767,841                  | .....                   | 18,000,000                     | 6,767,841                     |
| Diamond tools: National stockpile.....                                  | 1,015,400                        | 1,015,400                   | .....                   | Piece.....         | 64,178                           | 64,178                      | .....                   | (2)                            | 64,178                        |
| Feathers and down: National stockpile.....                              | 37,966,300                       | 37,605,000                  | —461,300                | Pound.....         | 9,164,188                        | 9,052,886                   | —111,302                | 3,000,000                      | 6,052,886                     |
| Fluorspar, acid grade:<br>National stockpile.....                       | 26,167,500                       | 26,167,500                  | .....                   | Short dry ton..... | 463,049                          | 463,049                     | .....                   | .....                          | .....                         |
| Defense Production Act.....   | 1,394,400                        | 1,394,400                   | .....                   | do.....            | 19,700                           | 19,700                      | .....                   | .....                          | .....                         |
| Supplemental—barter.....  | 33,525,900                       | 33,528,800                  | +2,900                  | do.....            | 673,232                          | 673,232                     | .....                   | .....                          | .....                         |
| Total.....  | 61,087,800                       | 61,090,700                  | +2,900                  | do.....            | 1,155,981                        | 1,155,981                   | .....                   | 280,000                        | 875,981                       |
| Fluorspar, metallurgical grade:<br>National stockpile.....              | 17,332,400                       | 17,332,400                  | .....                   | do.....            | 369,443                          | 369,443                     | .....                   | .....                          | .....                         |
| Supplemental—barter.....  | 1,508,100                        | 1,508,100                   | .....                   | do.....            | 42,800                           | 42,800                      | .....                   | .....                          | .....                         |
| Total.....  | 18,840,500                       | 18,840,500                  | .....                   | do.....            | 412,243                          | 412,243                     | .....                   | 375,000                        | 37,243                        |
| Graphite, natural, Ceylon, amorphous lump:<br>National stockpile.....   | 937,900                          | 937,900                     | .....                   | do.....            | 4,455                            | 4,455                       | .....                   | .....                          | .....                         |
| Supplemental—barter.....  | 341,200                          | 341,200                     | .....                   | do.....            | 1,428                            | 1,428                       | .....                   | .....                          | .....                         |
| Total.....  | 1,279,100                        | 1,279,100                   | .....                   | do.....            | 5,883                            | 5,883                       | .....                   | 3,600                          | 2,283                         |
| Graphite, natural, Madagascar, crystal-line:<br>National stockpile..... | 7,056,200                        | 7,056,200                   | .....                   | do.....            | 34,233                           | 34,233                      | .....                   | .....                          | .....                         |
| Supplemental—barter.....  | 210,312                          | 221,143                     | +10,831                 | do.....            | 1,857                            | 1,907                       | +50                     | .....                          | .....                         |
| Total.....  | 7,266,512                        | 7,277,343                   | +10,831                 | do.....            | 36,090                           | 36,140                      | +50                     | 17,200                         | 18,940                        |
| Graphite, natural, other, crystalline:<br>National stockpile.....       | 1,896,400                        | 1,896,300                   | —100                    | do.....            | 5,487                            | 5,487                       | .....                   | 2,100                          | 3,387                         |
| Hyoscine:<br>National stockpile.....                                    | 30,600                           | 30,600                      | .....                   | Ounce.....         | 2,100                            | 2,100                       | .....                   | 2,100                          | (4)                           |
| Iodine:<br>National stockpile.....                                      | 4,082,000                        | 4,082,000                   | .....                   | Pound.....         | 2,977,648                        | 2,977,648                   | .....                   | .....                          | .....                         |
| Supplemental—barter.....  | 1,041,400                        | 1,066,000                   | +24,600                 | do.....            | 994,920                          | 994,920                     | .....                   | .....                          | .....                         |
| Total.....  | 5,123,400                        | 5,148,000                   | +24,600                 | do.....            | 3,972,568                        | 3,972,568                   | .....                   | 4,300,000                      | (4)                           |
| Iridium:<br>National stockpile.....                                     | 2,525,800                        | 2,525,800                   | .....                   | Troy ounce.....    | 13,937                           | 13,937                      | .....                   | 4,000                          | 9,937                         |
| Jewel bearings:<br>National stockpile.....                              | 4,055,500                        | 4,055,500                   | .....                   | Piece.....         | 51,270,565                       | 51,270,565                  | .....                   | 57,500,000                     | (4)                           |
| Kyanite-mullite:<br>National stockpile.....                             | 811,600                          | 803,100                     | —8,500                  | Short dry ton..... | 9,387                            | 9,289                       | —98                     | 4,800                          | 4,489                         |
| Lead:<br>National stockpile.....  | 319,298,100                      | 319,298,100                 | .....                   | Short ton.....     | 1,050,370                        | 1,050,370                   | .....                   | .....                          | .....                         |
| Defense Production Act.....   | 1,790,900                        | 1,696,600                   | —94,300                 | do.....            | 4,728                            | 4,479                       | —249                    | .....                          | .....                         |
| Supplemental—barter.....  | 78,282,200                       | 78,398,600                  | +116,400                | do.....            | 327,998                          | 327,998                     | .....                   | .....                          | .....                         |
| Total.....  | 399,371,200                      | 399,393,300                 | +22,100                 | do.....            | 1,383,096                        | 1,382,847                   | —249                    | 0                              | 1,382,847                     |
| Magnesium:<br>National stockpile.....                                   | 131,112,100                      | 130,826,200                 | —285,900                | do.....            | 180,602                          | 180,208                     | —394                    | 107,000                        | 73,208                        |
| Manganese, battery grade, natural ore:<br>National stockpile.....       | 21,025,500                       | 21,025,500                  | .....                   | do.....            | 144,485                          | 144,485                     | .....                   | .....                          | .....                         |
| Supplemental—barter.....  | 14,512,798                       | 14,089,898                  | —422,900                | do.....            | 142,351                          | 142,351                     | .....                   | .....                          | .....                         |
| Total.....  | 35,538,298                       | 35,115,398                  | —422,900                | do.....            | 286,836                          | 286,836                     | .....                   | 50,000                         | 236,836                       |
| Manganese, battery grade, synthetic dioxide:<br>National stockpile..... | 3,095,500                        | 3,095,500                   | .....                   | Short dry ton..... | 21,272                           | 21,272                      | .....                   | .....                          | .....                         |
| Defense Production Act.....   | 2,524,700                        | 2,524,700                   | .....                   | do.....            | 3,779                            | 3,779                       | .....                   | .....                          | .....                         |
| Total.....  | 5,620,200                        | 5,620,200                   | .....                   | do.....            | 25,051                           | 25,051                      | .....                   | 20,000                         | 5,051                         |

See footnotes at end of table.



TABLE 1.—Strategic and critical materials inventories (all grades), June 1963 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)—Continued

| Commodity                                  | Cost value                       |                             |                         | Unit of measure | Quantity                         |                             |                         |                                |                               |
|--|----------------------------------|-----------------------------|-------------------------|-----------------|----------------------------------|-----------------------------|-------------------------|--------------------------------|-------------------------------|
|  | Beginning of month, June 1, 1963 | End of month, June 30, 1963 | Net change during month |                 | Beginning of month, June 1, 1963 | End of month, June 30, 1963 | Net change during month | Maximum objective <sup>1</sup> | Excess over maximum objective |
| Manganese, chemical grade, type A:         |                                  |                             |                         |                 |                                  |                             |                         |                                |                               |
| National stockpile                         | \$2,133,300                      | \$2,133,300                 |                         | Short dry ton   | 29,307                           | 29,307                      |                         |                                |                               |
| Supplemental—barter                        | 8,063,500                        | 7,898,600                   | -164,900                | do.             | 117,607                          | 117,607                     |                         |                                |                               |
| Total                                      | 10,196,800                       | 10,031,900                  | -164,900                | do.             | 146,914                          | 146,914                     |                         | 30,000                         | 116,914                       |
| Manganese, chemical grade, type B:         |                                  |                             |                         |                 |                                  |                             |                         |                                |                               |
| National stockpile                         | 132,600                          | 132,600                     |                         | do.             | 1,822                            | 1,822                       |                         |                                |                               |
| Supplemental—barter                        | 6,840,800                        | 6,683,300                   | -157,500                | do.             | 99,016                           | 99,016                      |                         |                                |                               |
| Total                                      | 6,973,400                        | 6,815,900                   | -157,500                | do.             | 100,838                          | 100,838                     |                         | 53,000                         | 47,838                        |
| Manganese, metallurgical grade:            |                                  |                             |                         |                 |                                  |                             |                         |                                |                               |
| National stockpile                         | 248,240,100                      | 248,240,300                 | +200                    | do.             | 5,851,264                        | 5,851,264                   |                         |                                |                               |
| Defense Production Act                     | 176,710,900                      | 176,474,400                 | -236,500                | do.             | 3,056,771                        | 3,056,691                   | -80                     |                                |                               |
| Supplemental—barter                        | 234,006,134                      | 233,672,555                 | -333,579                | do.             | 3,419,628                        | 3,431,592                   | +11,964                 |                                |                               |
| Total                                      | 658,957,134                      | 658,387,255                 | -569,879                | do.             | 12,327,663                       | 12,339,547                  | +11,884                 | 6,800,000                      | 5,539,547                     |
| Mercury:                                   |                                  |                             |                         |                 |                                  |                             |                         |                                |                               |
| National stockpile                         | 20,039,500                       | 20,039,500                  |                         | Flask           | 129,525                          | 129,525                     |                         |                                |                               |
| Supplemental—barter                        | 3,446,200                        | 3,446,200                   |                         | do.             | 16,000                           | 16,000                      |                         |                                |                               |
| Total                                      | 23,485,700                       | 23,485,700                  |                         | do.             | 145,525                          | 145,525                     |                         | 110,000                        | 35,525                        |
| Mica, muscovite block:                     |                                  |                             |                         |                 |                                  |                             |                         |                                |                               |
| National stockpile                         | 27,631,200                       | 27,631,200                  |                         | Pound           | 11,621,211                       | 11,621,211                  |                         |                                |                               |
| Defense Production Act                     | 40,857,700                       | 40,857,700                  |                         | do.             | 6,456,251                        | 6,456,251                   |                         |                                |                               |
| Supplemental—barter                        | 4,794,511                        | 5,024,690                   | +230,179                | do.             | 1,459,476                        | 1,517,160                   | +57,674                 |                                |                               |
| Total                                      | 73,283,411                       | 73,513,590                  | +230,179                | do.             | 19,536,938                       | 19,594,612                  | +57,674                 | 8,300,000                      | 11,294,612                    |
| Mica, muscovite film:                      |                                  |                             |                         |                 |                                  |                             |                         |                                |                               |
| National stockpile                         | 9,058,100                        | 9,058,000                   | -100                    | do.             | 1,733,083                        | 1,733,083                   |                         |                                |                               |
| Defense Production Act                     | 633,300                          | 633,300                     |                         | do.             | 102,681                          | 102,681                     |                         |                                |                               |
| Supplemental—barter                        | 953,946                          | 1,000,049                   | +46,103                 | do.             | 97,996                           | 102,514                     | +4,518                  |                                |                               |
| Total                                      | 10,645,346                       | 10,691,449                  | +46,103                 | do.             | 1,933,760                        | 1,938,278                   | +4,518                  | 1,300,000                      | 638,278                       |
| Mica, muscovite splittings:                |                                  |                             |                         |                 |                                  |                             |                         |                                |                               |
| National stockpile                         | 40,598,300                       | 40,598,300                  |                         | do.             | 40,040,294                       | 40,040,294                  |                         |                                |                               |
| Supplemental—barter                        | 6,225,800                        | 6,225,800                   |                         | do.             | 4,826,257                        | 4,826,257                   |                         |                                |                               |
| Total                                      | 46,824,100                       | 46,824,100                  |                         | do.             | 44,866,551                       | 44,866,551                  |                         | 21,200,000                     | 23,666,551                    |
| Mica, phlogopite block: National stockpile | 303,600                          | 303,600                     |                         | do.             | 223,126                          | 233,239                     | +113                    | 17,000                         | 206,239                       |
| Mica, phlogopite splittings:               |                                  |                             |                         |                 |                                  |                             |                         |                                |                               |
| National stockpile                         | 2,580,500                        | 2,580,500                   |                         | do.             | 3,079,062                        | 3,079,062                   |                         |                                |                               |
| Supplemental—barter                        | 2,190,891                        | 2,267,672                   | +66,781                 | do.             | 1,870,499                        | 1,911,482                   | +40,983                 |                                |                               |
| Total                                      | 4,771,391                        | 4,838,172                   | +66,781                 | do.             | 4,949,561                        | 4,990,544                   | +40,983                 | 1,700,000                      | 3,290,544                     |
| Molybdenum: National stockpile             | 85,295,900                       | 84,528,100                  | -767,800                | do.             | 80,516,745                       | 79,816,730                  | -700,015                | 59,000,000                     | 20,816,730                    |
| Nickel:                                    |                                  |                             |                         |                 |                                  |                             |                         |                                |                               |
| National stockpile                         | 181,988,600                      | 181,986,100                 | -2,500                  | do.             | 334,304,616                      | 334,295,915                 | -7,701                  |                                |                               |
| Defense Production Act                     | 103,501,000                      | 102,577,400                 | -923,600                | do.             | 109,289,693                      | 107,535,369                 | -1,754,324              |                                |                               |
| Total                                      | 285,489,600                      | 284,563,500                 | -926,100                | do.             | 443,594,309                      | 441,832,284                 | -1,762,025              | 323,000,000                    | 118,832,284                   |
| Opium:                                     |                                  |                             |                         |                 |                                  |                             |                         |                                |                               |
| National stockpile                         | 13,661,700                       | 13,661,700                  |                         | do.             | 195,757                          | 195,757                     |                         | 141,280                        | 54,477                        |
| Palladium:                                 |                                  |                             |                         |                 |                                  |                             |                         |                                |                               |
| National stockpile                         | 2,079,000                        | 2,079,000                   |                         | Troy ounce      | 89,811                           | 89,811                      |                         |                                |                               |
| Defense Production Act                     | 177,300                          | 177,300                     |                         | do.             | 7,884                            | 7,884                       |                         |                                |                               |
| Supplemental—barter                        | 12,170,200                       | 12,170,200                  |                         | do.             | 648,124                          | 648,124                     |                         |                                |                               |
| Total                                      | 14,426,500                       | 14,426,500                  |                         | do.             | 745,819                          | 745,819                     |                         | 340,000                        | 405,819                       |
| Palm oil:                                  |                                  |                             |                         |                 |                                  |                             |                         |                                |                               |
| National stockpile                         | 4,739,300                        | 4,598,000                   | -141,300                | Pound           | 26,330,769                       | 25,545,593                  | -785,176                | (*)                            | 25,545,593                    |
| Platinum:                                  |                                  |                             |                         |                 |                                  |                             |                         |                                |                               |
| National stockpile                         | 56,879,900                       | 56,879,900                  |                         | Troy ounce      | 716,343                          | 716,343                     |                         |                                |                               |
| Supplemental—barter                        | 4,024,500                        | 4,024,500                   |                         | do.             | 49,999                           | 49,999                      |                         |                                |                               |
| Total                                      | 60,904,400                       | 60,904,400                  |                         | do.             | 766,342                          | 766,342                     |                         | 165,000                        | 601,342                       |
| Pyrethrum:                                 |                                  |                             |                         |                 |                                  |                             |                         |                                |                               |
| National stockpile                         | 415,000                          | 415,100                     | +100                    | Pound           | 67,065                           | 67,065                      |                         | 66,000                         | 1,065                         |
| Quartz-crystals:                           |                                  |                             |                         |                 |                                  |                             |                         |                                |                               |
| National stockpile                         | 69,060,700                       | 69,060,700                  |                         | do.             | 5,601,481                        | 5,601,481                   |                         |                                |                               |
| Supplemental—barter                        | 3,128,700                        | 3,128,700                   |                         | do.             | 232,252                          | 232,352                     | +100                    |                                |                               |
| Total                                      | 72,189,400                       | 72,189,400                  |                         | do.             | 5,833,733                        | 5,833,833                   | +100                    | 660,000                        | 5,183,833                     |
| Quinidine:                                 |                                  |                             |                         |                 |                                  |                             |                         |                                |                               |
| National stockpile                         | 2,039,700                        | 2,010,900                   | -28,800                 | Ounce           | 1,768,377                        | 1,743,377                   | -25,000                 | 1,600,000                      | 143,377                       |
| Quinine:                                   |                                  |                             |                         |                 |                                  |                             |                         |                                |                               |
| National stockpile                         | 4,047,900                        | 3,622,600                   | -425,300                | do.             | 6,399,732                        | 5,727,732                   | -672,000                | (*)                            | 5,727,732                     |
| Rare earths:                               |                                  |                             |                         |                 |                                  |                             |                         |                                |                               |
| National stockpile                         | 7,134,900                        | 7,134,900                   |                         | Short dry ton   | 10,042                           | 10,042                      |                         |                                |                               |
| Supplemental—barter                        | 5,068,507                        | 5,713,182                   | +644,675                | do.             | 6,948                            | 7,251                       | +303                    |                                |                               |
| Total                                      | 12,803,407                       | 12,848,082                  | +44,675                 | do.             | 16,990                           | 17,293                      | +303                    | 5,700                          | 11,593                        |

See footnotes at end of table.

TABLE 1.—Strategic and critical materials inventories (all grades), June 1963 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)—Continued

| Commodity                            | Cost value                       |                             |                         | Quantity           |                                  |                             |                         |                                |                               |
|--------------------------------------|----------------------------------|-----------------------------|-------------------------|--------------------|----------------------------------|-----------------------------|-------------------------|--------------------------------|-------------------------------|
|                                      | Beginning of month, June 1, 1963 | End of month, June 30, 1963 | Net change during month | Unit of measure    | Beginning of month, June 1, 1963 | End of month, June 30, 1963 | Net change during month | Maximum objective <sup>1</sup> | Excess over maximum objective |
| Rare earths residue:                 |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| Defense Production Act.....          | \$657,800                        | \$657,800                   |                         | Pound.....         | 6,085,570                        | 6,085,570                   |                         | ( <sup>2</sup> )               | 6,085,570                     |
| Rhodium:                             |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| National stockpile.....              | 78,100                           | 78,200                      | +\$100                  | Troy ounce.....    | 618                              | 618                         |                         | ( <sup>2</sup> )               | 618                           |
| Rubber:                              |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| National stockpile.....              | 776,324,900                      | 766,068,300                 | -10,256,600             | Long ton.....      | 1,004,175                        | 990,822                     | -13,353                 | 750,000                        | 240,822                       |
| Ruthenium:                           |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| Supplemental—barter.....             | 559,500                          | 559,500                     |                         | Troy ounce.....    | 15,001                           | 15,001                      |                         | ( <sup>2</sup> )               | 15,001                        |
| Rutile:                              |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| National stockpile.....              | 2,070,100                        | 2,070,100                   |                         | Short dry ton..... | 18,599                           | 18,599                      |                         |                                |                               |
| Defense Production Act.....          | 2,725,100                        | 2,725,100                   |                         | do.....            | 17,410                           | 17,410                      |                         |                                |                               |
| Supplemental—barter.....             | 1,061,300                        | 1,061,300                   |                         | do.....            | 11,632                           | 11,632                      |                         |                                |                               |
| Total.....                           | 5,856,500                        | 5,856,500                   |                         | do.....            | 47,641                           | 47,641                      |                         | 65,000                         | ( <sup>2</sup> )              |
| Rutile, chlorinator charge:          |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| Defense Production Act.....          |                                  |                             |                         | do.....            | 7,052                            | 7,038                       | -14                     | ( <sup>2</sup> )               | 7,038                         |
| Sapphire and ruby:                   |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| National stockpile.....              | 190,000                          | 190,000                     |                         | Carat.....         | 16,187,500                       | 16,187,500                  |                         | 18,000,000                     | ( <sup>2</sup> )              |
| Selenium:                            |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| National stockpile.....              | 757,100                          | 757,100                     |                         | Pound.....         | 97,100                           | 97,100                      |                         |                                |                               |
| Supplemental—barter.....             | 1,070,500                        | 1,070,500                   |                         | do.....            | 156,518                          | 156,518                     |                         |                                |                               |
| Total.....                           | 1,827,600                        | 1,827,600                   |                         | do.....            | 253,618                          | 253,618                     |                         | 400,000                        | ( <sup>2</sup> )              |
| Shellac:                             |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| National stockpile.....              | 8,724,100                        | 8,621,900                   | -102,200                | do.....            | 17,402,027                       | 17,197,814                  | -204,213                | 7,400,000                      | 9,797,814                     |
| Silicon carbide, crude:              |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| National stockpile.....              | 11,394,500                       | 11,394,500                  |                         | Short ton.....     | 64,697                           | 64,697                      |                         |                                |                               |
| Supplemental—barter.....             | 26,814,100                       | 26,802,700                  | -11,400                 | do.....            | 131,805                          | 131,805                     |                         |                                |                               |
| Total.....                           | 38,208,600                       | 38,197,200                  | -11,400                 | do.....            | 196,502                          | 196,502                     |                         | 100,000                        | 96,502                        |
| Silk noils and waste:                |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| National stockpile.....              | 1,865,800                        | 1,723,500                   | -142,300                | Pound.....         | 1,382,487                        | 1,293,010                   | -89,477                 | 970,000                        | 323,010                       |
| Silk, raw:                           |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| National stockpile.....              | 486,600                          | 486,600                     |                         | do.....            | 113,515                          | 113,515                     |                         | 120,000                        | ( <sup>2</sup> )              |
| Sperm oil:                           |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| National stockpile.....              | 4,775,400                        | 4,775,400                   |                         | do.....            | 23,442,158                       | 23,442,158                  |                         | 23,000,000                     | 442,158                       |
| Talc, steatite block and lump:       |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| National stockpile.....              | 496,800                          | 496,800                     |                         | Short ton.....     | 1,274                            | 1,274                       |                         | 300                            | 974                           |
| Talc, steatite ground:               |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| National stockpile.....              | 231,000                          | 231,200                     | +200                    | do.....            | 3,901                            | 3,901                       |                         | ( <sup>2</sup> )               | 3,901                         |
| Tantalum:                            |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| National stockpile.....              | 10,981,000                       | 10,992,700                  | +11,700                 | Pound.....         | 3,420,478                        | 3,420,478                   |                         |                                |                               |
| Defense Production Act.....          | 9,734,400                        | 9,734,400                   |                         | do.....            | 1,531,366                        | 1,531,366                   |                         |                                |                               |
| Supplemental—barter.....             | 21,100                           | 21,100                      |                         | do.....            | 8,036                            | 8,036                       |                         |                                |                               |
| Total.....                           | 20,736,500                       | 20,748,200                  | +11,700                 | do.....            | 4,959,880                        | 4,959,880                   |                         | 2,420,000                      | 2,539,880                     |
| Thorium:                             |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| Defense Production Act.....          | 42,000                           | 42,000                      |                         | do.....            | 848,574                          | 848,354                     | -220                    |                                |                               |
| Supplemental—barter.....             | 17,130,658                       | 17,411,129                  | +280,471                | do.....            | 8,278,975                        | 8,400,250                   | +121,275                |                                |                               |
| Total.....                           | 17,172,658                       | 17,453,129                  | +280,471                | do.....            | 9,127,549                        | 9,248,604                   | +121,055                | ( <sup>2</sup> )               | 9,248,604                     |
| Tin:                                 |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| National stockpile.....              | 820,601,400                      | 816,241,000                 | -4,360,400              | Long ton.....      | 337,486                          | 335,692                     | -1,794                  |                                |                               |
| Supplemental—barter.....             | 16,404,000                       | 16,404,000                  |                         | do.....            | 7,505                            | 7,505                       |                         |                                |                               |
| Total.....                           | 837,005,400                      | 832,645,000                 | -4,360,400              | do.....            | 344,991                          | 343,197                     | -1,794                  | 200,000                        | 143,197                       |
| Titanium:                            |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| Defense Production Act.....          | 176,692,200                      | 176,463,100                 | -229,100                | Short ton.....     | 22,442                           | 22,415                      | -27                     |                                |                               |
| Supplemental—barter.....             | 32,097,700                       | 32,097,700                  |                         | do.....            | 9,021                            | 9,021                       |                         |                                |                               |
| Total.....                           | 208,789,900                      | 208,560,800                 | -229,100                | do.....            | 31,463                           | 31,436                      | -27                     | ( <sup>2</sup> )               | 31,436                        |
| Tungsten:                            |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| National stockpile.....              | 369,127,900                      | 369,127,300                 | -600                    | Pound.....         | 120,071,339                      | 120,071,339                 |                         |                                |                               |
| Defense Production Act.....          | 318,770,700                      | 318,813,900                 | +43,200                 | do.....            | 78,186,563                       | 78,186,563                  |                         |                                |                               |
| Supplemental—barter.....             | 18,648,200                       | 18,661,400                  | +13,200                 | do.....            | 5,762,319                        | 5,774,827                   | +12,508                 |                                |                               |
| Total.....                           | 706,546,800                      | 706,592,600                 | +45,800                 | do.....            | 204,020,221                      | 204,032,729                 | +12,508                 | 50,000,000                     | 154,032,729                   |
| Vanadium: National stockpile.....    | 31,567,900                       | 31,567,900                  |                         | do.....            | 15,730,893                       | 15,730,893                  |                         | 2,000,000                      | 13,730,893                    |
| Vegetable tannin extract, chestnut:  |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| National stockpile.....              | 11,939,800                       | 11,932,800                  | -7,000                  | Long ton.....      | 42,795                           | 42,770                      | -25                     | 30,000                         | 12,770                        |
| Vegetable tannin extract, quebracho: |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| National stockpile.....              | 49,219,200                       | 49,194,400                  | -24,800                 | do.....            | 198,928                          | 198,828                     | -100                    | 180,000                        | 18,828                        |
| Vegetable tannin extract, wattle:    |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| National stockpile.....              | 9,845,800                        | 9,826,900                   | -18,900                 | do.....            | 39,037                           | 38,962                      | -75                     | 39,000                         | ( <sup>2</sup> )              |

See footnotes at end of table.



TABLE 1.—Strategic and critical materials inventories (all grades), June 1963 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)—Continued

| Commodity                                    | Cost value                       |                             |                         | Unit of measure    | Quantity                         |                             |                         |                                |                               |
|--|----------------------------------|-----------------------------|-------------------------|--------------------|----------------------------------|-----------------------------|-------------------------|--------------------------------|-------------------------------|
|  | Beginning of month, June 1, 1963 | End of month, June 30, 1963 | Net change during month |                    | Beginning of month, June 1, 1963 | End of month, June 30, 1963 | Net change during month | Maximum objective <sup>1</sup> | Excess over maximum objective |
| Zinc:  |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| National stockpile.....                      | \$364,339,400                    | \$364,353,200               | +13,800                 | Short ton.....     | 1,256,866                        | 1,256,866                   |                         |                                |                               |
| Supplemental—barter.....                     | 79,588,200                       | 79,588,200                  |                         | do.....            | 323,896                          | 323,896                     |                         |                                |                               |
| Total.....                                   | 443,927,600                      | 443,941,400                 | +13,800                 | do.....            | 1,580,762                        | 1,580,762                   |                         | 20                             | 1,580,762                     |
| Zirconium ore, baddeleyite:                  |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| National stockpile.....                      | 710,600                          | 710,600                     |                         | Short dry ton..... | 16,533                           | 16,533                      |                         | (5)                            | 16,533                        |
| Zirconium ore, zircon:                       |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| National stockpile.....                      | 270,500                          | 202,200                     | -68,300                 | do.....            | 4,571                            | 3,416                       | -1,155                  | (5)                            | 3,416                         |
| Total:                                       |                                  |                             |                         |                    |                                  |                             |                         |                                |                               |
| National stockpile.....                      | 5,838,070,100                    | 5,816,508,200               | -21,561,900             |                    |                                  |                             |                         |                                |                               |
| Defense Production Act.....                  | 1,500,410,200                    | 1,499,504,900               | -905,300                |                    |                                  |                             |                         |                                |                               |
| Supplemental—barter.....                     | 1,331,724,514                    | 1,338,072,033               | +6,347,519              |                    |                                  |                             |                         |                                |                               |
| Total, strategic and critical materials..... | 8,670,204,814                    | 8,654,085,133               | -16,119,681             |                    |                                  |                             |                         |                                |                               |

<sup>1</sup> Maximum objectives for strategic and critical materials are determined pursuant to the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98-98h). The Office of Emergency Planning is currently in the process of revising stockpile objectives. (See app. B, p. 21.)

<sup>2</sup> New objective. (See app. B, p. 21.)

<sup>3</sup> No present objective.

<sup>4</sup> Not in excess of maximum objective.

<sup>5</sup> Revised on basis of later information. In May 51 tons of beryllium metal at a cost value of \$5,893,600 was reported with beryl.

Source: Compiled from reports submitted by the General Services Administration and the Department of Agriculture.

TABLE 2.—Agricultural commodities inventories, June 1963 (showing by commodity net changes during the month in terms of cost value and quantity)

| Commodity   | Cost value                       |                             |                         | Unit of measure    | Quantity                         |                             |                         |
|---|----------------------------------|-----------------------------|-------------------------|--------------------|----------------------------------|-----------------------------|-------------------------|
|   | Beginning of month, June 1, 1963 | End of month, June 30, 1963 | Net change during month |                    | Beginning of month, June 1, 1963 | End of month, June 30, 1963 | Net change during month |
| Price-support inventory:                                    |                                  |                             |                         |                    |                                  |                             |                         |
| Basic commodities:  |                                  |                             |                         |                    |                                  |                             |                         |
| Corn.....   | \$693,927,586                    | \$603,676,644               | -\$90,250,942           | Bushel.....        | 575,466,755                      | 492,124,265                 | -83,342,490             |
| Cotton, extra-long staple.....                              | 4,350,336                        | 4,350,336                   |                         | Bale.....          | 15,865                           | 15,865                      |                         |
| Cotton, upland.....   | 808,295,937                      | 714,465,702                 | -93,830,235             | do.....            | 4,676,156                        | 4,135,721                   | -540,435                |
| Peanuts, farmers' stock.....                                | 7,365,034                        | 740,938                     | -6,624,096              | Pound.....         | 63,995,427                       | 6,936,808                   | -57,058,619             |
| Peanuts, shelled.....                                       | 8,165,174                        | 11,461,601                  | +3,296,427              | do.....            | 46,405,553                       | 66,944,036                  | +20,538,483             |
| Rice, milled.....   | 167,186                          | 139,012                     | -28,174                 | Hundredweight..... | 17,012                           | 14,029                      | -2,983                  |
| Rice, rough.....  | 4,893,714                        | 9,562,709                   | +4,668,995              | do.....            | 907,491                          | 1,796,161                   | +888,670                |
| Wheat.....  | 2,305,695,156                    | 2,167,741,439               | -137,953,717            | Bushel.....        | 1,156,480,749                    | 1,082,464,091               | -74,016,658             |
| Bulgur.....   | 829,637                          | 263,643                     | -565,994                | Pound.....         | 15,308,649                       | 4,854,112                   | -10,454,537             |
| Total, basic commodities.....                               | 3,833,689,760                    | 3,512,402,024               | -321,287,736            |                    |                                  |                             |                         |
| Designated nonbasic commodities:                            |                                  |                             |                         |                    |                                  |                             |                         |
| Barley.....   | 31,097,110                       | 40,632,360                  | +9,535,250              | Bushel.....        | 35,541,601                       | 46,975,637                  | +11,434,036             |
| Grain sorghum.....  | 754,747,058                      | 695,087,394                 | -59,659,664             | do.....            | 689,309,139                      | 633,412,519                 | -55,896,620             |
| Honey.....  | 113,825                          |                             | -113,825                | Pound.....         | 910,259                          |                             | -910,259                |
| Milk and butterfat:   |                                  |                             |                         |                    |                                  |                             |                         |
| Butter.....   | 234,453,815                      | 220,836,783                 | -13,617,032             | do.....            | 402,506,460                      | 379,845,971                 | -22,660,489             |
| Butter oil.....   | 54,307,400                       | 72,189,754                  | +17,882,354             | do.....            | 67,562,608                       | 90,958,731                  | +23,396,123             |
| Cheese.....   | 26,722,635                       | 19,299,616                  | -7,423,019              | do.....            | 55,373,274                       | 51,420,373                  | -3,952,901              |
| Ghee.....   | 369,883                          | 1,751,446                   | +1,381,563              | do.....            | 455,322                          | 2,169,883                   | +1,714,561              |
| Milk, dried.....  | 106,796,628                      | 104,267,892                 | -2,528,736              | do.....            | 723,467,953                      | 706,775,691                 | -16,692,262             |
| Oats.....   | 10,017,108                       | 11,150,720                  | +1,133,612              | Bushel.....        | 16,592,907                       | 18,623,062                  | +2,030,155              |
| Rye.....  | 1,305,104                        | 1,619,826                   | +314,722                | do.....            | 1,224,452                        | 1,563,326                   | +338,874                |
| Total, designated nonbasic commodities.....                 | 1,213,930,566                    | 1,167,435,791               | -46,494,775             |                    |                                  |                             |                         |
| Other nonbasic commodities:                                 |                                  |                             |                         |                    |                                  |                             |                         |
| Beans, dry, edible.....                                     | 3,701,469                        | 8,773,377                   | +5,071,908              | Hundredweight..... | 543,610                          | 1,167,649                   | +624,039                |
| Cottonseed oil, refined.....                                | 1,014,923                        | 220,364                     | -794,559                | Pound.....         | 8,339,550                        | 1,267,537                   | -7,072,013              |
| Flaxseed.....   | 14,032,982                       | 15,793,357                  | +1,760,375              | Bushel.....        | 4,730,933                        | 5,327,184                   | +596,251                |
| Soybeans.....   | 4,286,019                        | 7,435,749                   | +3,149,730              | do.....            | 1,843,083                        | 3,181,807                   | +1,338,724              |
| Turpentine.....   | 433,546                          | 433,546                     |                         | Gallon.....        | 826,233                          | 826,233                     |                         |
| Vegetable oil products.....                                 | 7,618,698                        | 2,941,125                   | -4,677,573              | Pound.....         | 41,457,220                       | 17,362,311                  | -24,094,909             |
| Total, other nonbasic commodities.....                      | 31,087,637                       | 35,597,518                  | +4,509,881              |                    |                                  |                             |                         |
| Total, price support inventory.....                         | 5,078,707,963                    | 4,715,435,333               | -363,272,630            |                    |                                  |                             |                         |
| Inventory transferred from national stockpile: <sup>1</sup> |                                  |                             |                         |                    |                                  |                             |                         |
| Cotton, Egyptian.....                                       | 103,874,843                      | 103,874,843                 |                         | Bale.....          | 122,955                          | 122,955                     |                         |
| Cotton, American-Egyptian.....                              | 23,734,148                       | 23,734,148                  |                         | do.....            | 47,188                           | 47,188                      |                         |
| Total, inventory transferred from national stockpile.....   | 127,608,991                      | 127,608,991                 |                         | do.....            | 170,143                          | 170,143                     |                         |
| Total, agricultural commodities.....                        | 5,206,316,954                    | 4,843,044,324               | -363,272,630            |                    |                                  |                             |                         |

<sup>1</sup> Transferred from General Services Administration pursuant to Public Law 85-96 and Public Law 87-548. (See app., p. 19274.)

Source: Compiled from reports submitted by the Department of Agriculture.

TABLE 3.—Civil defense supplies and equipment inventories, June 1963 (showing by item net changes during the month in terms of cost value and quantity)

| Item   | Cost value                       |                             |                         | Quantity           |                                  |                             |                         |
|--|----------------------------------|-----------------------------|-------------------------|--------------------|----------------------------------|-----------------------------|-------------------------|
|  | Beginning of month, June 1, 1963 | End of month, June 30, 1963 | Net change during month | Unit of measure    | Beginning of month, June 1, 1963 | End of month, June 30, 1963 | Net change during month |
| Civil defense stockpile, Department of Defense:  |                                  |                             |                         |                    |                                  |                             |                         |
| Engineering equipment (engine generators, pumps, chlorinators, purifiers, pipe, and fittings)..... | \$10,023,273                     | \$10,015,517                | -\$7,756                | 10-mile units..... | 45                               | 45                          |                         |
| Chemical and biological equipment.....   | 1,772,521                        | 1,816,557                   | +44,036                 | (1).....           |                                  |                             |                         |
| Radiological equipment.....  | 24,720,086                       | 24,736,553                  | +16,467                 | (1).....           |                                  |                             |                         |
| Total.....   | 36,515,880                       | 36,568,627                  | +52,747                 |                    |                                  |                             |                         |
| Civil defense medical stockpile, Department of Health, Education, and Welfare:                     |                                  |                             |                         |                    |                                  |                             |                         |
| Medical bulk stocks and associated items at civil defense mobilization warehouses.....             | 142,210,155                      | 144,150,887                 | +1,940,732              | (1).....           |                                  |                             |                         |
| Medical bulk stock at manufacturer locations.....  | 5,420,642                        | 5,415,928                   | -4,714                  | (1).....           |                                  |                             |                         |
| Civil defense emergency hospitals.....   | 37,531,514                       | 37,444,461                  | -87,053                 | Each.....          | 1,930                            | 1,930                       |                         |
| Replenishment units (functional assemblies other than hospitals).....                              | 694,075                          | 669,779                     | -24,296                 | (1).....           |                                  |                             |                         |
| Total.....   | 185,856,386                      | 187,671,055                 | +1,814,669              |                    |                                  |                             |                         |
| Total, civil defense supplies and equipment.....   | 222,372,266                      | 224,239,682                 | +1,867,416              |                    |                                  |                             |                         |

1 Composite group of many different items.

Source: Compiled from reports submitted by the Department of Defense and the Department of Health, Education, and Welfare.

TABLE 4.—Machine tools inventories, June 1963 (showing by item net changes during the month in terms of cost value and quantity)

| Item                             | Cost value                       |                             |                         | Quantity        |                                  |                             |                         |
|----------------------------------|----------------------------------|-----------------------------|-------------------------|-----------------|----------------------------------|-----------------------------|-------------------------|
|                                  | Beginning of month, June 1, 1963 | End of month, June 30, 1963 | Net change during month | Unit of measure | Beginning of month, June 1, 1963 | End of month, June 30, 1963 | Net change during month |
| Defense Production Act:          |                                  |                             |                         |                 |                                  |                             |                         |
| In storage.....                  | \$21,400                         | \$21,400                    |                         | Tool.....       | 7                                | 7                           |                         |
| On lease.....                    | 2,144,300                        | 2,144,300                   |                         | do.....         | 103                              | 103                         |                         |
| On loan.....                     | 42,900                           | 42,900                      |                         | do.....         | 7                                | 7                           |                         |
| Total.....                       | 2,208,600                        | 2,208,600                   |                         |                 | 117                              | 117                         |                         |
| National Industrial Reserve Act: |                                  |                             |                         |                 |                                  |                             |                         |
| In storage.....                  | 82,780,700                       | 79,933,300                  | -\$2,847,400            | do.....         | 7,547                            | 7,193                       | -354                    |
| On lease.....                    | 27,500                           | 27,500                      |                         | do.....         | 1                                | 1                           |                         |
| On loan to other agencies.....   | 2,036,900                        | 2,176,600                   | +139,700                | do.....         | 201                              | 225                         | +24                     |
| On loan to school programs.....  | 6,962,200                        | 7,971,100                   | +1,008,900              | do.....         | 1,648                            | 1,916                       | +268                    |
| Total.....                       | 91,807,300                       | 90,108,500                  | -1,698,800              | do.....         | 9,397                            | 9,335                       | -62                     |
| Total, machine tools.....        | 94,015,900                       | 92,317,100                  | -1,698,800              | do.....         | 9,514                            | 9,452                       | -62                     |

Source: Compiled from reports submitted by the General Services Administration.

TABLE 5.—Helium inventories, June 1963 (showing by item net changes during the month in terms of cost value and quantity)

| Item                     | Cost value                       |                             |                         | Quantity        |                                  |                             |                         |
|--------------------------|----------------------------------|-----------------------------|-------------------------|-----------------|----------------------------------|-----------------------------|-------------------------|
|                          | Beginning of month, June 1, 1963 | End of month, June 30, 1963 | Net change during month | Unit of measure | Beginning of month, June 1, 1963 | End of month, June 30, 1963 | Net change during month |
| Helium:                  |                                  |                             |                         |                 |                                  |                             |                         |
| Stored above ground..... | \$367,983                        | \$268,008                   | -\$99,975               | Cubic foot..... | 29,100,000                       | 21,800,000                  | -7,300,000              |
| Stored under ground..... | 6,726,441                        | 8,039,125                   | +1,312,684              | do.....         | 804,500,000                      | 905,400,000                 | +100,900,000            |
| Total, helium.....       | 7,094,424                        | 8,307,133                   | +1,222,709              | do.....         | 833,600,000                      | 927,200,000                 | +93,600,000             |

Source: Compiled from reports submitted by the Department of the Interior.

## APPENDIX A

## PROGRAM DESCRIPTIONS AND STATUTORY CITATIONS

## STRATEGIC AND CRITICAL MATERIALS

## National stockpile

The Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98-98h) provides for the establishment and maintenance of a national stockpile of strategic and critical materials. The General Services Administration is responsible for making purchases of strategic and critical materials and providing for their storage, security, and maintenance. These functions are performed in accordance with directives issued by the Director of the Office of Emergency Planning. The act also provides for the transfer from other Government agencies of strategic and critical

materials which are excess to the needs of such other agencies and are required to meet the stockpile objectives established by OEP. In addition, the General Services Administration is responsible for disposing of those strategic and critical materials which OEP determines to be no longer needed for stockpile purposes.

General policies for strategic and critical materials stockpiling are contained in DMO V-7, issued by the Director of the Office of Emergency Planning and published in the Federal Register of December 19, 1959 (24 F.R. 10309). Portions of this order relate also to Defense Production Act inventories.

## Defense Production Act

Under section 303 of the Defense Production Act of 1950 (50 U.S.C. App. 2093) and Executive Order 10480, as amended, the Gen-

eral Services Administration is authorized to make purchases of or commitments to purchase metals, minerals, and other materials, for Government use or resale, in order to expand productive capacity and supply, and also to store the materials acquired as a result of such purchases or commitments. Such functions are carried out in accordance with programs certified by the Director of the Office of Emergency Planning.

## Supplemental—barter

As a result of a delegation of authority from OEP (32A C.F.R., ch. I, DMO V-4) the General Services Administration is responsible for the maintenance and storage of materials placed in the supplemental stockpile. Section 206 of the Agricultural Act of 1956 (7 U.S.C. 1856) provides that strategic and other materials acquired by



the Commodity Credit Corporation as a result of barter or exchange of agricultural products, unless acquired for the national stockpile or for other purposes, shall be transferred to the supplemental stockpile established by section 104(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704(b)). In addition to the materials which have been or may be so acquired, the materials obtained under the programs established pursuant to the Domestic Tungsten, Asbestos, Fluorspar, and Columbium-Tantalum Production and Purchase Act of 1956 (50 U.S.C. App. 2191-2195), which terminated December 31, 1958, have been transferred to the supplemental stockpile, as authorized by the provisions of said Production and Purchase Act.

#### AGRICULTURAL COMMODITIES

##### *The price-support program*

Price-support operations are carried out under the charter powers (15 U.S.C. 714) of the Commodity Credit Corporation, Department of Agriculture, in conformity with the Agricultural Act of 1949 (7 U.S.C. 1421), the Agricultural Act of 1954 (7 U.S.C. 1741), which includes the National Wool Act of 1954, the Agricultural Act of 1956 (7 U.S.C. 1442), the Agricultural Act of 1958 and with respect to certain types of tobacco, in conformity with the act of July 28, 1945, as amended (7 U.S.C. 1312). Under the Agricultural Act of 1949, price support is mandatory for the basic commodities—corn, cotton, wheat, rice, peanuts, and tobacco—and specific nonbasic commodities; namely, tung nuts, honey, milk, butterfat, and the products of milk and butterfat. Under the Agricultural Act of 1958, as producers of corn voted in favor of the new price-support program for corn authorized by that act, price support is mandatory for barley, oats, rye, and grain sorghums. Price support for wool and mohair is mandatory under the National Wool Act of 1954, through the marketing year ending March 31, 1966. Price support for other nonbasic agricultural commodities is discretionary except that, whenever the price of either cottonseed or soybeans is supported, the price of the other must be supported at such level as the Secretary determines will cause them to compete on equal terms on the market. This program may also include operations to remove and dispose of or aid in the removal or disposition of surplus agricultural commodities for the purpose of stabilizing prices at levels not in excess of permissible price-support levels.

Price support is made available through loans, purchase agreements, purchases, and other operations, and, in the case of wool and mohair, through incentive payments based on marketings. The producers' commodities serve as collateral for price-support loans. With limited exceptions, price-support loans are nonrecourse and the Corporation looks only to the pledged or mortgage collateral for satisfaction of the loan. Purchase agreements generally are available during the same period that loans are available. By signing a purchase agreement, a producer receives an option to sell to the Corporation any quantity of the commodity which he may elect within the maximum specified in the agreement.

The major effect on budgetary expenditures is represented by the disbursements for price-support loans. The largest part of the commodity acquisitions under the program result from the forfeiting of commodities pledged as loan collateral for which the expenditures occurred at the time of making the loan, rather than at the time of acquiring the commodities.

Dispositions of commodities acquired by the Corporation in its price-support operations are made in compliance with sections 202, 407, and 416 of the Agricultural Act of 1949, and other applicable legislation, par-

ticularly the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691), title I of the Agricultural Act of 1954, title II of the Agricultural Act of 1956, the Agricultural Act of 1958, the act of August 19, 1958, in the case of cornmeal and wheat flour, and the act of September 21, 1959, with regard to sales of livestock feed in emergency areas.

##### *Inventory transferred from national stockpile*

This inventory, all cotton, was transferred to Commodity Credit Corporation at no cost from the national stockpile pursuant to Public Law 85-96 and Public Law 87-548. The proceeds from sales, less costs incurred by CCC, are covered into the Treasury as miscellaneous receipts; therefore, such proceeds and costs are not recorded in the operating accounts. The cost value as shown for this cotton has been computed on the basis of average per bale cost of each type of cotton when purchased by CCC for the national stockpile.

#### CIVIL DEFENSE SUPPLIES AND EQUIPMENT

##### *Civil defense stockpile*

The Department of Defense conducts this stockpiling program pursuant to section 201(h) of Public Law 920, 81st Congress, as amended. The program is designed to provide some of the most essential materials to minimize the effects upon the civilian population which would be caused by an attack upon the United States. Supplies and equipment normally unavailable, or lacking in quantity needed to cope with such conditions, are stockpiled at strategic locations in a nationwide warehouse system consisting of general storage facilities.

##### *Civil defense medical stockpile*

The Department of Health, Education, and Welfare conducts the stockpiling program for medical supplies and equipment pursuant to section 201(h) of Public Law 920, 81st Congress, as delegated by the President following the intent of Reorganization Plan No. 1, 1958. The Department of Health, Education, and Welfare plans and directs the procurement, storage, maintenance, inspection, survey, distribution, and utilization of essential supplies and equipment for emergency health services. The medical stockpile includes a program designed to pre-position assembled emergency hospitals and other medical supplies and equipment into communities throughout the Nation.

#### MACHINE TOOLS

##### *Defense Production Act*

Under section 303 of the Defense Production Act of 1950 (50 U.S.C. App. 2093) and Executive Order 10480, as amended, the General Services Administration has acquired machine tools in furtherance of expansion of productive capacity, in accordance with programs certified by the Director of the Office of Emergency Planning.

##### *National industrial equipment reserve*

Under general policies established and directives issued by the Secretary of Defense, the General Services Administration is responsible for care, maintenance, utilization, transfer, leasing, lending to nonprofit schools, disposal, transportation, repair, restoration, and renovation of national industrial reserve equipment transferred to GSA under the National Industrial Reserve Act of 1948 (50 U.S.C. 451-462).

#### HELIUM

The helium conservation program is conducted by the Department of the Interior pursuant to the Helium Act, approved September 13, 1960 (Public Law 86-777; 74 Stat. 918; 50 U.S.C. 167) and subsequent appropriations acts which have established fiscal limitations and provided borrowing authority for the program. Among other things, the Helium Act authorizes the Secretary of

the Interior to produce helium in Government plants, to acquire helium from private plants, to sell helium to meet current demands, and to store for future use helium that is so produced or acquired in excess of that required to meet current demands. Sales of helium by the Secretary of the Interior shall be at prices established by him which shall be adequate to liquidate the costs of the program within 25 years, except that this period may be extended by the Secretary for not more than 10 years for funds borrowed for purposes other than the acquisition and construction of helium plants and facilities.

This report covers helium that is produced in Government plants and acquired from private plants. Helium in excess of current demands is stored in the Cliffside gasfield near Amarillo, Tex. The unit of measure is cubic foot at 14.7 pounds per square inch absolute pressure and 70° F.

#### APPENDIX B

##### NEW STOCKPILE OBJECTIVES

The Office of Emergency Planning is in the process of establishing new objectives for strategic and critical materials. Table 1 of this report reflects the new objectives for eight materials: aluminum, castor oil, copper, feathers and down, lead, opium, tin, and zinc.

The following excerpts from an OEP statement dated July 11, 1963, set forth the new policy with respect to objectives for strategic and critical materials:

"The Office of Emergency Planning is now conducting supply-requirements studies for all stockpile materials which will reflect current military, industrial, and other essential needs in the event of a conventional war emergency. On the basis of recently completed supply-requirements studies for the foregoing materials, the new stockpile objectives were established with the advice and assistance of the Interdepartmental Materials Advisory Committee, a group chaired by the Office of Emergency Planning and composed of representatives of the Departments of State, Defense, the Interior, Agriculture, Commerce, and Labor, and the General Services Administration, the Agency for International Development, and the National Aeronautics and Space Administration. Representatives of the Bureau of the Budget, the Atomic Energy Commission, and the Small Business Administration participate as observers.

"These new objectives reflect a new policy to establish a single objective for each stockpile material. They have been determined on the basis of criteria heretofore used in establishing maximum objectives, and reflect the approximate calculated emergency deficits for the materials for conventional war and do not have any arbitrary adjustments for possible increased requirements for other types of emergency.

"Heretofore, there was a 'basic objective' and a 'maximum objective' for each material. The basic objectives assumed some continued reliance on foreign sources of supply in an emergency. The former maximum objectives completely discounted foreign sources of supply beyond North America and comparable accessible areas.

"Previously, maximum objectives could not be less than 6 months' normal usage of the material by industry in the United States in periods of active demand. The 6-month rule has been eliminated in establishing the new calculated conventional war objectives.

"The Office of Emergency Planning also announced that the present Defense Mobilization Order V-7, dealing with general policies for strategic and critical materials stockpiling, was now being revised to reflect these new policies. When finally prepared and approved, the new order will be published in the Federal Register.

"New conventional war objectives for the remaining stockpile materials are being developed as rapidly as new supply-requirements data become available. They will be released as they are approved.

"The Office of Emergency Planning is also making studies to determine stockpile needs to meet the requirements of general nuclear war and reconstruction. Stockpile objectives for nuclear war have not previously been developed. Some commodity objectives may be higher and others may be lower than the objectives established for conventional war.

"After the nuclear war supply-requirements studies are completed, stockpile objectives will be based upon calculated deficits for either conventional war or nuclear war, whichever need is larger.

"The Office of Emergency Planning stressed that any long-range disposal programs undertaken prior to the development of objectives based on nuclear war assumptions would provide against disposing of quantities which might be needed to meet essential requirements in the event of nuclear attack. While the disposal of surplus materials can produce many problems which have not heretofore arisen, every effort will be made to see that the interests of producers, processors, and consumers, and the international interests of the United States are carefully considered, both in the development and carrying out of disposal programs. Before decisions are made regarding the adoption of a long-range disposal program for a particular item in the stockpile, there will be appropriate consultations with industry in order to obtain the advice of interested parties."

#### STATEMENT BY SENATOR BYRD OF VIRGINIA

The cost value of Federal stockpile inventories as of June 30, 1963, totaled \$13,821,993,372. This was a net decrease of \$378,000,986 as compared with the June 1 total of \$14,199,994,358.

Net changes during the month are summarized by major category as follows:

| Major category                            | Cost value, June 1963   |                     |
|---|-------------------------|---------------------|
|   | Net change during month | Total, end of month |
| Strategic and critical materials.....     | -\$16, 119, 681         | \$8, 654, 085, 133  |
| Agricultural commodities.....             | -363, 272, 630          | 4, 843, 044, 324    |
| Civil defense supplies and equipment..... | +\$1, 867, 416          | 224, 239, 682       |
| Machine tools.....                        | -1, 688, 800            | 92, 317, 100        |
| Helium.....                               | +\$1, 222, 709          | 8, 307, 133         |
| Total.....                                | -\$378, 000, 986        | 13, 821, 993, 372   |

These figures are from the June 1963 report on Federal stockpile inventories compiled from official agency data by the Joint Committee on Reduction of Nonessential Federal Expenditures, showing detail with respect to quantity and cost value of each commodity in the inventories covered.

#### STRATEGIC AND CRITICAL MATERIALS

So-called strategic and critical materials are stored by the Government in (1) the national stockpile, (2) the Defense Production Act inventory, and (3) the supplemental barter stockpile.

Overall, there are now 94 materials stockpiled in the strategic and critical inventories. Maximum objectives—in terms of volume—are presently fixed for 76 of these 94 materials. Of the 76 materials having maximum objectives, 62 were stockpiled in excess of their objectives as of June 30, 1963.

The Office of Emergency Planning is in the process of establishing new objectives for strategic and critical materials. This report reflects the new objectives for 8 materials: aluminum, castor oil, copper, feathers and down, lead, opium, tin and zinc; and contains pertinent agency explanation.

Increases in cost value were reported in 28 of the materials stockpiled in all strategic and critical inventories, decreases were reported in 34 materials, and 32 materials remained unchanged during June.

#### National stockpile

The cost value of materials in the national stockpile as of June 30, 1963, totaled \$5,816,508,200. This was a net decrease of \$21,561,900 during the month. The largest decreases were \$10,256,600 in rubber and \$4,360,400 in tin.

#### Defense Production Act inventory

The cost value of materials in the Defense Production Act inventory as of June 30, 1963, totaled \$1,499,504,900. This was a net decrease of \$905,300. The largest increase was in aluminum offset by decreases in nickel and copper.

#### Supplemental barter

The cost value of materials in the supplemental-barter stockpile as of June 30 totaled \$1,338,072,033. This was a net increase of \$6,347,519. The largest increases were in beryllium, aluminum oxide, and bauxite.

#### OTHER STOCKPILE INVENTORIES

Among the other categories of stockpiled materials covered by the report, the largest is \$4.8 billion in agricultural commodities. Major decreases in agricultural commodities during June were reported for wheat, cotton, corn and grain sorghum.

Inventories of civil defense supplies and equipment showed increases in medical stocks; the machine tools inventories showed a net decrease; and the helium inventories showed a net increase during June.

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

##### By Mr. RIBICOFF:

S. 2261. A bill for the relief of Albert Paul Pitras and Anne Marie Pitras; to the Committee on the Judiciary.

##### By Mr. YARBOROUGH:

S. 2262. A bill to authorize the conveyance of certain real property of the United States heretofore granted to the city of Grand Prairie, Tex., for public airport purposes, contingent upon approval by the Administrator of the Federal Aviation Agency, and to provide for the conveyance to the United States of certain real property now used by such city for public airport purposes; to the Committee on Commerce.

##### By Mr. JAVITS:

S. 2263. A bill for the relief of Mimosa Thereseta Goderich; to the Committee on the Judiciary.

#### RESOLUTIONS

#### STUDY OF A NATIONAL SYSTEM OF SCENIC HIGHWAYS

Mr. HART (for himself and Mr. RANDOLPH) submitted a resolution (S. Res. 217) to authorize a study of a National System of Scenic Highways, which was referred to the Committee on Public Works.

(See the above resolution printed in full when submitted by Mr. HART, which appears under a separate heading.)

#### CONGRATULATIONS TO NATIONAL ACADEMY OF SCIENCES AND NATIONAL RESEARCH COUNCIL

Mr. HUMPHREY submitted a resolution (S. Res. 218) conveying to the National Academy of Sciences and the Na-

tional Research Council congratulations for its contributions to science and technology, which was referred to the Committee on Labor and Public Welfare.

(See the above resolution printed in full when submitted by Mr. HUMPHREY, which appears under a separate heading.)

#### STUDY OF A NATIONAL SYSTEM OF SCENIC HIGHWAYS

Mr. HART. Mr. President, on behalf of the senior Senator from West Virginia [Mr. RANDOLPH] and myself, I submit, for appropriate reference, a resolution authorizing the Senate Public Works Committee to make a study of the development of a national system of scenic highways.

A public investment program should, wherever possible, carry out the dual role of contributing to the public welfare and providing for the expansion of the private economy. The proposal for a national system of scenic highways offers an exceptional opportunity in this respect.

We have in the United States some of the outstanding natural resources of the world, offering unequalled scenic and recreation opportunities for our people. Ready access to our major scenic resources is largely undeveloped.

The Interstate Highway System which will provide the transportation backbone for the industrial and commercial activities of the Nation naturally concentrates on major urban areas. This interstate program when completed will meet the requirements for this most important part of our economy. Now it is time to plan for future highway programs to provide access to our scenic areas, as yet often inaccessible because of the lack of good highway systems.

Many States, including Michigan, are developing programs which provide access to some of these areas. The Federal Government should be participating as a partner in these local programs in an attempt to achieve an integrated system which will return greater benefits to our Nation and to the respective States.

Planning is overdue for such a national scenic highway system, as a major subsidiary to the ongoing Interstate Highway System. This subsidiary system would tie presently remote and inaccessible areas more readily into the national economy and in reverse would make these areas accessible to people for their scenic and recreational enjoyment.

Such a development would be a modern parallel to the Federal interest in farm-to-market roads, under which the farmer was linked to the market areas of the States. A scenic highway system, tied in with our freeways, would make available to the city dweller the scenic areas and shorelines of the United States through recreational motoring.

The report of the bipartisan Outdoor Recreation Resources Review Commission found that by far the most popular form of recreation—20.73 percent—is driving. The drive through the countryside is the No. 1 pleasure for those who seek the outdoors.

We would anticipate that the Public Works Committee's study would probe



the contribution that could be made to the scenic highway system by the local, State, and Federal governments. The Michigan Highway Department has been a leader in the Nation in highway development. I can visualize the interest our State agency would have in a program to make more available to the public the beauty and natural wonders with which our State is so richly endowed.

The east coast of Lake Michigan and the south shore of Lake Superior come instantly to mind as offering exceptional potential for such scenic drives. They would tie in with the proposed Sleeping Bear and Pictured Rocks National Lakeshores and make possible their fullest use and enjoyment.

A study of the potential of a national system of scenic highways would, of course, survey similar potentialities in other States. Indeed there are already before Congress proposals for scenic parkways and historic routes.

The system as I envision it could be designed—

First. To serve an area of true scenic value or other tourist interest.

Second. To enhance the natural landscape—with a minimum of disruption of forest growth or other values.

Third. To provide adequate views of the terrain and the scenic high spots, both as to viewpoint and duration.

Fourth. To avoid artificiality of location or alignment, and monotony of "scenic exposure."

Fifth. To provide access to beauty spots, overlooks, and natural wonders.

Sixth. To provide turnouts and rest or parking areas.

Seventh. To provide driving comfort and safety at reasonable speeds.

Eighth. To be signed and publicized as a scenic road—for the considerate use and enjoyment of the tourists, the nature lover, and the beauty seeker.

The VICE PRESIDENT. The resolution will be received and appropriately referred; and, under the rule, the resolution will be printed in the RECORD.

The resolution (S. Res. 217) was referred to the Committee on Public Works, as follows:

Whereas an adequate recreational program is essential to the well being of our citizens; and

Whereas the recreational needs of the Nation are growing at an ever-increasing rate; and

Whereas these needs are intensified because the recreational facilities available to our citizens are limited; and

Whereas the Congress has shown its recognition of these needs by providing for the development of national parks and national seashore within the limited areas which remain large areas; and

Whereas there are miles of shoreline along the Atlantic and Pacific Oceans, the Gulf coast, and the Great Lakes, and miles of forest, park, and mountain scenery which provide an excellent potential for scenic highway recreational use; and

Whereas the Outdoor Recreation Resources Review Commission has indicated that sightseeing by automobile is the Nation's number one outdoor recreational activity: Therefore be it

Resolved, That the Committee on Public Works, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act

of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to make a detailed study and investigation concerning the role that the development and establishment of a national system of scenic highways could play in the Nation's recreation program. Such study and investigation shall include, but not be limited to: (1) an analysis of the functions of such a system, (2) the design criteria to be utilized, (3) the methods of financing the necessary construction, (4) the status of existing State plans for scenic highway systems, (5) the nature and extent of Federal, State, and local participation and responsibility, and (6) recommendations for Federal, State, and local action.

SEC. 2. For the purposes of this resolution the committee, from the date on which this resolution is agreed to through January 31, 1965, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings upon the study and investigation authorized by this resolution, together with its recommendations for such legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

SEC. 4. The expenses of the committee, under this resolution, which shall not exceed \$50,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

#### TRIBUTE TO THE NATIONAL ACADEMY OF SCIENCES: RESOLUTION OF COMMENDATION

Mr. HUMPHREY. Mr. President, I should like to join with other public officials, with scientists, and interested citizens in paying tribute to a great scientific organization on the occasion of its 100th birthday.

I refer to the National Academy of Sciences, which has been observing the centennial of its founding, by congressional charter, in 1863.

I wish to convey my personal congratulations, through the Academy's able President, Dr. Frederick Seitz, a distinguished physicist, to the staff, to members, and to friends of the Academy.

I believe that the Senate may wish to add its own formal congratulations.

For this reason, I submit at this time, for appropriate reference, a resolution which would express the official good wishes and appreciation of the Senate on the occasion of the Academy's completion of its first 100 years of honored service.

At the climax of these 10 crowded decades, the Academy has emerged to the most important role of its history—in the nuclear-space age of the 1960's.

The Academy and its operating arm, the National Research Council, today represent two great assets of this Nation. They are assets for the security of the free world in an age of peril. They are assets for the progress of mankind in a golden age of scientific opportunity.

The Academy and the Council seem, in effect, at the apex of their contributions. But still greater challenges confront them, now, as the Academy enters into its second century.

Today, to a greater extent than ever before, the well-deserved prestige of the Academy, both at home and abroad, makes it an invaluable "bridge" between Federal Agencies, between the executive and legislative branches, between Government and the private scientific community, between scientific disciplines, and between American and foreign science, including science in the Communist Nations.

#### ROLE OF SCIENCE AND TECHNOLOGY TODAY

Few knowledgeable observers need be reminded of the crucial role of science and technology in modern society, both in terms of deterring war and fulfilling all of mankind's potential in peace.

In civilian affairs alone, science and technology are impacting virtually every aspect of American society; they are changing primary, secondary, and higher education, as well as postgraduate education.

They are transforming industry, agriculture, and communications.

They are effecting a revolution in international affairs, both in the highly industrialized countries and in the developing nations.

It is understandable, therefore, that the Academy is being constructively utilized to the greatest extent in its peacetime history by the highest office of the land—that of the President of the United States—through the Office of the President's Director for Science and Technology, Dr. Jerome B. Wiesner, in a number of vital studies.

Last Tuesday, President John F. Kennedy delivered a historic centennial address before the Academy. His speech was the highlight of a 4-day program crowded with landmark addresses by many of the greatest scientists of our time.

The superb talent associated with each of these scientific sessions evidenced the outstanding caliber of the 670 or so members of the Academy.

The many honored foreign scientists who journeyed to our shores to join with the Academy at these centennial meetings bespoke the high, worldwide reputation of the Academy.

It is a reputation for excellence, a reputation for international scientific leadership—such as that of the International Geophysical Year—a reputation for absolute integrity in search of verifiable truth.

#### COMMITTEE ON SCIENCE AND PUBLIC POLICY

Most recently, the Academy has added to its well-deserved laurels through the initial activity of its new Committee on Science and Public Policy. This 15-man Committee serves under the chairmanship of the able former science adviser to the President, Dr. George B. Kistiakowsky.

Vision, leadership, and boldness by this Committee can, I believe, exert a particularly salutary influence. The Committee can and will address itself, I am sure, to many high priority issues—

where science crucially affects and is affected by public policy.

#### PRESIDENT KENNEDY'S HISTORIC COMMENTS

Last Tuesday President Kennedy pointed out with profound and historic insight some of the many implications of this relationship—particularly, as man alters his environment. He stated:

As science investigates the natural environment, it also modifies it—and that modification may have incalculable consequences, for evil as well as for good.

Science today has the power for the first time in history to undertake experiments with premeditation which can irreversibly alter our biological and physical environment on a global scale.

#### The President continued:

The Government has the clear responsibility to weigh the importance of large-scale experiments to the advance of knowledge or to national security against the possibility of adverse and destructive effects. The scientific community must assist the Government in arriving at rational judgments and in interpreting the issues to the public.

#### SUPPORT OF BASIC RESEARCH

And our Chief Executive wisely indicated—on one phase which I know is of deepest interest to the Academy—that, throughout all of science's efforts, it must be afforded adequate opportunity to pursue knowledge, not just for known—that is, for anticipated—ends but for the sake of knowledge itself.

Basic research—fundamental research—must not be shortchanged.

This has been a plea of countless Academy panels, and I, for one, should like to reiterate it today, as I have in the past.

#### PLEA FOR RESTORED FUNDS FOR NSF

Specifically, I should like to express the strongest possible support of restoration of the full appropriations request for the National Science Foundation. This vital agency has become the principal supporter of fundamental research, across the board, in all disciplines. It has worked closely with the National Academy and with the President's science adviser.

Specifically, I commend the Foundation's wise efforts to help establish more university "centers of excellence." These efforts represent precisely the type of program which the National Academy's membership would, I know, wholeheartedly support.

#### THREE MATERIALS TO BE REPRINTED

I ask unanimous consent that there be printed at this point in the RECORD the text of the resolution of commendation which I am introducing today; excerpts from Dr. Seitz' splendid testimony before a House Space Subcommittee, summarizing a few of the Academy's many past contributions to the Congress of the United States; and President Kennedy's centennial address to the Academy on October 22.

The VICE PRESIDENT. The resolution will be received and appropriately referred, and, under the rule, will be printed in the RECORD; and, without objection, the excerpts and centennial address will be printed in the RECORD.

The resolution (S. Res. 218) was referred to the Committee on Labor and Public Welfare, as follows:

Whereas by a unanimous Act of Congress, signed by President Abraham Lincoln on March 3, 1863, the National Academy of Sciences was chartered as a private and independent learned society which would serve as an official advisor to the United States Government; and

Whereas during the past one hundred years, in times of war and peace, the distinguished officers, staff, and members of the National Academy of Sciences have invaluable served the Government and people of the United States in the furtherance of science and technology; and

Whereas in 1916 there was established, as a part of the Academy's organization under its congressional charter, a National Research Council which helped to organize research and secure the participation of scientists and technologists in the solution of military problems during World War I; and

Whereas during World War II the National Academy of Sciences and the National Research Council again made immeasurable contributions to victory; and

Whereas in recent years the National Academy of Sciences, in the prosecution of its functions, has continued to demonstrate standards of excellence throughout the entire spectrum of science, from its most basic to its most applied aspects; and

Whereas the National Academy of Sciences has maintained the high esteem of the international scientific community and has ably represented this Nation in worldwide scientific organizations and endeavors; and

Whereas, as it enters upon the second century of its organization, the National Academy of Sciences is diligently fulfilling many of the most challenging commitments for service that have been undertaken in the annals of science: Therefore be it

Resolved, That the Senate hereby joins with the President and people of our Nation in conveying to the National Academy of Sciences and the National Research Council of such Academy congratulations and appreciation for the many outstanding contributions made by the Academy during the past one hundred years, and in expressing high confidence that the Academy will continue to serve the best interests of this country and all mankind.

The excerpts and address presented by Mr. HUMPHREY are as follows:

#### ISSUES ON WHICH THE NATIONAL ACADEMY OF SCIENCES HAS BEEN OF DIRECT SERVICE TO THE CONGRESS IN THE PAST CENTURY

(Excerpts of statement of Dr. Frederick Seitz, President, National Academy of Sciences, before the Subcommittee on Science, Research, and Development of the Committee on Science and Astronautics, House of Representatives, October 15, 1963)

For your perusal, I have listed a number of cases in which the National Academy of Sciences has been of direct service to the Congress in the last century. In making this list, I have chosen some clear and well-defined cases in which we have been formally asked by Congress to investigate an important issue. I should add that there are many other instances in which congressional committees have called upon us to appear before them, formally or informally, and still others in which we have been of service to individual Members at their request.

#### SCIENTIFIC INSTRUCTIONS FOR THE "POLARIS" EXPEDITION—1870

An act of Congress in 1870 authorized an expedition toward the North Pole, providing that the scientific operations of the expedition be in accordance with the advice of the

National Academy of Sciences. A committee of the Academy provided such advice for the resulting voyage of the *Polaris*, which took place in 1871.

#### TRANSITS OF VENUS—1871

A committee of the Academy was appointed to make plans for the observation of the transit of Venus across the sun's disk, which would take place in 1874. In 1871 Congress made the first of several appropriations for the purchase of instruments and the cost of the necessary expeditions for these observations, specifying that they be spent under the direction of a commission that would include the President of the Academy. The same commission remained in existence for the second transit of Venus, in 1882. These are the only two transits of Venus that have occurred since the Academy's founding; the next will occur in the year 2002.

#### SURVEYING AND MAPPING OF THE TERRITORIES OF THE UNITED STATES—1878

The Sundry Civil Act of 1878-79 required the Academy to review the land surveys of a scientific character then being carried out by the War and Interior Departments and the Land Office, and to report to Congress a plan for the surveying and mapping of the territories of the United States. The Academy's plan, which recommended the termination of the earlier geological and geographical surveys, and the establishment of the new U.S. Geological Survey to take their place, became part of the Sundry Civil Act of 1879-80, thus bringing the Geological Survey into existence.

#### NATIONAL BOARD OF HEALTH—1879

Congress established a National Board of Health in 1879 and requested the Academy to cooperate with the Board and report to Congress. The committee appointed by the Academy for this task remained in existence until 1883.

#### THE SIGNAL SERVICE OF THE ARMY, THE GEOLOGICAL SURVEY, THE COAST AND GEODETIC SURVEY, AND THE HYDROGRAPHIC OFFICE OF THE NAVY DEPARTMENT—1884

A Joint Commission of the Senate and the House was established by the Sundry Civil Act of 1884-85 to report on the organization of these agencies "with the view to secure greater efficiency and economy of administration of the public service." The Joint Commission asked for the advice of the Academy. Not all the recommendations of the Academy were followed, but the following were: (1) The meteorological service became a separate bureau under the Department of Agriculture (later the Weather Bureau in the Department of Commerce); (2) The National Bureau of Standards was established in the Department of Commerce and Labor; (3) The Astrophysical Observatory was established under the Smithsonian Institution.

#### SPECIFICATIONS FOR THE PRACTICAL APPLICATION OF THE DEFINITIONS OF THE AMPERE AND VOLT—1894

The act of Congress establishing the definitions of the ampere and volt, in accordance with the findings of the electrical congress of 1893, provided that the Academy should specify whatever details might be necessary for the practical application of these definitions, and that these specifications should be considered the standard specifications for the country.

#### NATIONAL FOREST RESERVE IN THE SOUTHERN APPALACHIANS—1902

The Academy made a letter report to the Senate Committee on Forest Reservations and the Protection of Game, in response to an inquiry from the committee chairman relative to the conditions under which a reservation in the Southern Appalachians might be established.



#### METHODS AND EXPENSES OF CONDUCTING SCIENTIFIC WORK UNDER THE GOVERNMENT—1908

The Sundry Civil Act for 1908-09 required the Academy to report to the Congress a plan for consolidating all "scientific surveys" and all "chemical, testing, and experimental laboratories" of the Government so as to "prevent duplication of work and reduce expenditures without detriment to the public service." A report was made, finding that the actual duplication of work was of small magnitude, but that the duplication of organizations and facilities was considerable, and that a permanent board should be established to try to bring about a "rational correlation of allied branches of scientific work carried on by the Government." It is not clear what was done with this report by the Congress.

#### ADOPTION OF CENTIGRADE AND FAHRENHEIT SCALES—1916

The Academy appointed a committee on this subject in response to the requirement of a bill, H.R. 528.

#### CONGRESSIONAL MEDAL—1920

In response to a Senate joint resolution the Academy named a committee which reported adversely on a recommendation for the award of a congressional medal to an individual for his discoveries related to radio receiving.

#### METRIC SYSTEM—1922

At the request of a Senator, an Academy committee reported on a bill to fix the metric system of weights and measures as the single standard for certain uses. The Academy committee favored the bill.

#### MATHEMATICAL ASPECTS OF REAPPORTIONMENT—1929

An Academy committee appointed at the request of the Speaker of the House reported on the several mathematical methods of calculating the apportionment of Representatives among the States.

#### ADVICE ON CANCER RESEARCH—1937

A committee was appointed by the Academy at the request of a Senator to provide advice and suggestions with regard to a program of cancer research that would be authorized by a pending bill.

#### TAXATION OF FELLOWSHIPS—1954

At the request of the Assistant Secretary of the Treasury the Academy convened a representative meeting to discuss for officials of the Treasury and representatives of the Senate Finance Committee the question of proposed limitations of the tax-free status of fellowship awards for scholarly study. A statement was prepared on the basis of this meeting.

#### POLIO MYELITIS VACCINATION—1955

The chairman of the Subcommittee on Health and Science, House Committee on Interstate and Foreign Commerce, requested the Academy to name a panel of experts to discuss before the subcommittee the scientific aspects of a bill to defray the cost of poliomyelitis vaccination for certain groups. Afterwards the subcommittee chairman wrote to the President of the Academy, "a new standard of excellence has been established for the discussion of complex scientific problems before congressional committees."

#### CHEMICAL ADDITIVES IN FOOD—1957

A panel was appointed by the Academy at the request of the Subcommittee on Health and Science of the House Interstate and Foreign Commerce Committee to discuss with the subcommittee the problems associated with chemical additives in foods.

#### INTERNATIONAL GEOPHYSICAL YEAR—1958

At the request of the chairman of the House Committee on Interstate and Foreign Commerce the President of the Academy reported on the participation of the United

States in the International Geophysical Year and in the international programs generated by it.

#### INTERNATIONAL GEOPHYSICAL YEAR—1959

The Academy was represented with the National Science Foundation in a number of hearings on appropriations for U.S. participation in the International Geophysical Year.

#### COLOR ADDITIVES IN FOOD—1960

A panel was appointed by the Academy at the request of the House Committee on Interstate and Foreign Commerce to provide scientific information on the problem of safe tolerances for color additives known to be capable of inducing cancer in man or animal.

#### POLLUTION OF WATER, AIR, AND SOIL—1963

The chairman of the House Committee on Science and Astronautics requested the Academy to consider the feasibility of assuming responsibility for assembling and organizing information on the problem of pollution of water, air, and soil. Matter still under consideration.

These examples include only a few of the large number of inquiries answered by the Academy from individual Senators and Representatives, and of the large number of appearances by the President of the Academy and by especially designated members of the Academy before various House and Senate committees and subcommittees at their invitation to discuss pending legislation or other problems.

#### TEXT OF REMARKS BY THE PRESIDENT BEFORE THE NATIONAL ACADEMY OF SCIENCES, CONSTITUTION HALL, WASHINGTON, D.C., OCTOBER 22, 1963

I am happy to accept the invitation of the National Academy of Sciences to take part in this centennial celebration. It is impressive to reflect that 100 years ago, in the midst of a savage fraternal war, the U.S. Congress established a body devoted to the advancement of scientific research. Joseph Henry, to whom the development of American science owes so much, well said that the organization of this Academy marked "an epoch in the history of philosophical opinions in our country." It was, Henry added, "the first recognition by our Government of the importance of abstract science as an essential element of mental and material progress."

The recognition of the value of "abstract science" ran against the grain of our traditional preoccupation with application and technology. You will remember Tocqueville's famous chapter on "Why the Americans Are More Addicted to Practical Than to Theoretical Science." Tocqueville concluded that, the more democratic a society, "the more will discoveries immediately applicable to productive industry confer gain, fame, and even power on their authors."

But if I were to name a single thing which points up the difference this century has made in the American attitude toward science, it would certainly be the wholehearted understanding today of the importance of pure science. Science contributes to our culture in many ways, as a creative intellectual activity in its own right, as the light which has served to illuminate man's place in the universe, and as the source of understanding of man's own nature. We realize now that progress in technology depends on progress in theory—that the most abstract investigations can lead to the most concrete results—and that the vitality of a scientific community springs from its passion to answer science's most fundamental questions. I therefore greet this body with particular pleasure—for the range and depth of scientific achievement represented in this room constitute the seedbed of the Nation's future.

The last hundred years have seen a second great change—the change in the relationship

between science and public policy. To this new relationship, your own Academy has made a decisive contribution. For a century, the National Academy of Sciences has exemplified the partnership between scientists who accept the responsibility that accompanies freedom and a Government which encourages the increase of knowledge for the welfare of mankind. As a result in large part of the recommendations of this Academy, the Federal Government enlarged its scientific activities through such agencies as the Geological Survey, the Weather Bureau, the Bureau of Standards, and the Forest Service.

But it took the First World War to bring science into central contact with government policy, and it took the Second World War to make scientific counsel an indispensable function of government.

The relationship between science and public policy is bound to be complex. As the country has had reason to note in recent weeks, scientists do not always unite among themselves in their recommendations to the makers of policy. This is only partly because of scientific disagreements. It is even more because the big issues so often go beyond the possibilities of exact scientific determination. I know few significant questions of public policy which can be safely confided to computers. In the end, the hard decisions inescapably involve imponderables of intuition, prudence, and judgment.

In this last hundred years, science has thus emerged from a peripheral concern of government to an active partner. The instrumentalities devised in recent times have given this partnership continuity and force. The question on all our minds today is how science can best continue its service to the Nation in the years to come.

I would suggest that science is already moving to enlarge its influence in three general ways: in the interdisciplinary area; in the international area; and in the intercultural area. For science is the most powerful means we have for the unification of knowledge; and a main obligation of its future must be to deal with problems which cut across boundaries, whether boundaries between the sciences, boundaries between nations, or boundaries between man's scientific and humane concerns.

As science, of necessity, becomes more interdisciplinary, so also, of necessity, it becomes more international. I am impressed to know that of the 670 members of this Academy, 163 were born in other lands. The great scientific challenges transcend national frontiers and national prejudices. In a sense this has always been true: the language of science is universal, and perhaps scientists have been the most international of all professions in their outlook. But the contemporary revolution in transport and communication has dramatically speeded the internationalization of science. And one consequence has been the increase in organized international cooperation.

Every time you scientists make a major invention, we politicians have to invent a new institution to cope with it—and almost invariably, these days, it must be an international institution. I am not just thinking of the fact that when you people figure out how to build a global satellite communication system, we have to figure out a global organization to manage it. I am thinking, as well, that scientific advance provided the rationale for the World Health Organization and the Food and Agriculture Organization—that splitting the atom leads not only to a nuclear arms race but to the establishment of the International Atomic Energy Agency—that the need for scientific exploration of Antarctica leads to an international treaty providing free access to the area without regard to territorial claims—that the scientific possibility of a World Weather Watch requires the attention of the World

Meteorological Organization—that the exploration of international oceans leads to the establishment of an Intergovernmental Oceanographic Commission. Recent scientific advances have not only made international cooperation desirable but have made international institutions necessary. The ocean, the atmosphere and outer space belong not to one nation or to one ideology but to all mankind.

As science carries out its tasks in the years ahead, it must enlist all its own disciplines, all nations prepared for the scientific quest and all men capable of sympathizing with the scientific impulse. Scientists alone can establish the objectives of their research. But society, in extending support to science, must take account of its own needs. As a layman, I can only suggest with diffidence what some of the major tasks might be on the scientific agenda. But you will forgive me if I venture to mention certain areas which, from the viewpoint of the maker of policy, might deserve your special concern.

First, I would suggest the question of the conservation and development of our natural resources. In a recent speech to the General Assembly of the United Nations, I proposed a worldwide program to protect land and water, forests and wildlife; to combat exhaustion and erosion; to stop the contamination of water and air by industrial as well as nuclear pollution; and to provide for the steady renewal and expansion of the natural bases of life. Malthus argued a century and a half ago that men, by using up all available resources would forever press on the limits of subsistence thereby condemning humanity to an indefinite future of poverty and misery. We can now begin to hope that Malthus was expressing, not a law of nature, but a limitation of scientific and social wisdom. The truth or falsity of his prediction will depend on our own actions, now and in the years to come.

The earth can be an abundant mother if we learn to use her with skill and wisdom—to tend her wounds, replenish her vitality, and utilize her potentialities. And the necessity is now urgent and worldwide; for few nations embarked on the adventure of development have the resources to sustain an ever-growing population and a rising standard of living. The United Nations has designated this the decade of development. We all stand committed to make this agreeable hope a reality. This seems to me the greatest challenge to science in our time: to use the world's resources to expand life and hope for the world's inhabitants.

While these are essentially applied problems, they require guidance and support from basic science. I solicit your help, and I particularly solicit your help in meeting a problem of universal concern: the supply of food to the multiplying mouths of our multiplying world. Abundance depends on the application of sound biological analysis to the problems of agriculture. If all the knowledge we already have were systematically applied, the world could greatly improve its performance in areas of low yield today. But this would not be enough, and the long-term answer to inadequate food production must lie in new research and new experimentation. And the successful use of new knowledge will require close cooperation with other nations. Already a beginning has been made: I think of the work in other countries of the Rockefeller and Ford Foundations, and the creation by the OAS of the Inter-American Institute of Agricultural Sciences in Costa Rica. I look forward eventually to the establishment of a series of international agricultural research institutes on a regional basis throughout the developing world.

Second, I would call your attention to a related problem—that is, the understanding and use of the resources of the seas. I recently sent Congress a plan for a national

oceanographic program, calling for the expenditure of more than \$2 billion over the next 10 years. This plan is the culmination of 3 years' effort by the Interagency Committee on Oceanography, and it results from recommendations made at my request by the National Academy.

Our goal is to investigate the world ocean, its boundaries, its properties, and its processes. To a surprising extent the sea has remained a mystery: ten thousand fleets still sweep over it in vain; we know less of the oceans at our feet than of the sky above our heads. It is time to change this—to use to the full our powerful new instruments of oceanic exploration—to drive back the frontiers of the unknown in the waters which encircle our globe. We need this knowledge for its own sake—and we need it to consider its bearings on our security and on the world's social and economic needs. It has been estimated, for example, that the yield of food from the seas could be increased 5 or 10 times through better knowledge of marine biology.

Here again the job can best be done by the nations of the world working together in international institutions. As all men breathe the same air, so a storm along Cape Cod may well begin off the shores of Japan. The world ocean is also indivisible; and events in one part of the great sea have astonishing effects in remote places. International scientific cooperation is indispensable if human knowledge of the ocean is to keep pace with human needs.

Third, there is the atmosphere itself—the atmosphere in which we live and breathe and which makes life on this planet possible. Scientists have studied the atmosphere for many decades; but its problems continue to defy us.

The reasons for our limited progress are obvious. Weather cannot be easily reproduced and observed in the laboratory. It must therefore be studied in all its unruliness wherever it has its way. Here, as in oceanography, new scientific tools have become available. With modern computers, rockets, and satellites, the time is ripe to harness a variety of disciplines for a concerted attack. And, even more than oceanography, the atmospheric sciences require worldwide observation and hence international cooperation.

Some of our most successful international efforts have involved study of the atmosphere. We all know that the World Meteorological Organization has been effective in this field. It is now developing a worldwide weather system to which nations the world over can make their contributions. Such cooperative undertakings can challenge the world's best efforts for decades to come.

Fourth, I would mention a problem which I know has greatly concerned many of you—that is, our responsibility to control the effects of our own scientific experimentation. For, as science investigates the natural environment, it also modifies it—and that modification may have incalculable consequences, for evil as well as for good. In the past, the problem of conservation has been mainly the problem of inadvertent human destruction of natural resources. But science today has the power for the first time in history to undertake experiments with premeditation which can irreversibly alter our biological and physical environment on a global scale.

The problem is difficult, because it is hard to know in advance whether the cumulative effects of a particular experiment will help or harm mankind. In the case of nuclear testing, the world is satisfied that radioactive contamination involves unnecessary risks—and we are all heartened that more than 100 nations have joined to outlaw testing in environments where the effects most directly threaten mankind. In other fields, we may be less sure. We must, for example, balance

the gains of weather modification against the hazards of protracted drought or storm.

The Government has the clear responsibility to weigh the importance of large-scale experiments to the advance of knowledge or to national security against the possibility of adverse and destructive effects. The scientific community must assist the Government in arriving at rational judgments and in interpreting the issues to the public. To deal with this problem, we have worked our formal procedures within the Government to assure expert review before potentially risky experiments are undertaken. And we will make every effort to publish the data needed to permit open examination and discussion of proposed experiments by the scientific community before they are authorized.

If science is to press ahead in the four fields I have mentioned, if it is to continue to grow in effectiveness and productivity, our society must provide scientific inquiry the necessary means of sustenance. Military and space needs, for example, offer little justification for much work in what Joseph Henry called abstract science. Though such fundamental inquiry is essential to the future technological vitality of industry and government alike, it is usually more difficult to comprehend than applied activity—and as a consequence often seems harder to justify.

If basic research is to be properly regarded, it must be better understood. I ask you to reflect on this problem and on the means by which in the years to come our society can assure continuing backing to fundamental research in the life sciences, the physical sciences, the social sciences, on natural resources, on agriculture, on protection against pollution and erosion. Together the scientific community, the government, industry and education must work out the way to nourish American science in all its power and vitality.

I would not close on a gloomy note. For ours is a century of scientific conquest and scientific triumph. If scientific discovery has not been an unalloyed blessing, if it has conferred on mankind the power not only to create but also to annihilate, it has at the same time provided humanity with a supreme challenge and a supreme testing. If the challenge and the testing are too much for humanity, then we are all doomed. But my own faith is plain and clear. I believe that the power of science and the responsibility of science have offered mankind a new opportunity not only for intellectual growth but for moral discipline—not only for the acquisition of knowledge but for the strengthening of nerve and of will.

We are bound to grope for a time as we grapple with problems without precedent in human history. But wisdom is the child of experience. In the years since man unlocked the power stored up within the atom, the world has made progress, halting but effective, toward bringing that power under human control. The challenge may be our salvation. As we begin to master the destructive potentialities of modern science, we move toward a new era in which science can fulfill its creative promise and help bring into existence the happiest society the world has ever known.

#### FOREIGN ASSISTANCE ACT OF 1963— AMENDMENTS (AMENDMENT NOS. 240, 241, 242, 243, 244, 245, AND 246)

Mr. ELLENDER submitted amendments, intended to be proposed by him, to the bill (H.R. 7885) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, which were ordered to lie on the table and to be printed.



Mr. JAVITS submitted amendments (Nos. 238 and 239), intended to be proposed by him, to House bill 7885, supra, which were ordered to lie on the table and to be printed.

#### ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on October 25, 1963, he presented to the President of the United States the following enrolled bills:

S. 1064. An act to amend the act redefining the units and establishing the standards of electrical and photometric measurements to provide that the candela shall be the unit of luminous intensity; and

S. 1576. An act to provide assistance in combating mental retardation through grants for construction of research centers and grants for facilities for the mentally retarded and assistance in improving mental health through grants for construction of community mental health centers, and for other purposes.

#### TOM CONNALLY

Mr. YARBOROUGH. Mr. President, we have just received the sad news of the passing away, this morning, of one of the alltime great Members of the Senate, Tom Connally.

The loss of Tom Connally is a loss to the whole peace-loving world. In his 36 years in Congress, his leadership helped to mold American domestic and foreign policy with a wisdom rarely seen.

As chairman of the Senate Foreign Relations Committee, he helped create the United Nations, and was a leading influence in causing the United States to assume a leading role in the United Nations. He assumed the chairmanship of the Senate Foreign Relations Committee in July 1941, on the eve of the U.S. entry into the World War, and was a guiding power in the Government of the United States during the hard days of World War II and in connection with forging the instruments of victory. He was Vice Chairman of the American delegation to the United Nations Conference on International Organization, at San Francisco.

It was Tom Connally who sponsored ratification of the United Nations Charter in the Senate. He was a member of the American delegation to the first U.N. General Assembly meeting in 1946.

He was a great man. In 1952, after 24 years of distinguished service in the Senate, he decided, for health reasons, not to be a candidate for reelection. History and today's steady march toward a world at peace will prove him to be one of America's greatest Senators.

I was a young lawyer in Texas, more than 30 years ago when Tom Connally would come back to our State and would speak to his legions of friends at the crossroads, in the small towns, and in the cities. He would call thousands of them by their first names. He talked of the great goals and problems common to all mankind in a warm, simple way that made him loved and respected in a way exemplifying the finest in American statesmanship. Tom Connally looked like a Senator; he spoke like a Senator; he was a leader in the best traditions of our Government.

This is the way I will remember the beloved Tom Connally.

He was elected to the 65th Congress and to five succeeding Congresses, from March 4, 1917, to March 3, 1929; and in 1928 he was elected to the U.S. Senate, where he served from March 4, 1929, to January 3, 1953.

Mr. President, later in this session I hope to have more extensive remarks to make about this great Senator from Texas.

Mr. MANSFIELD. Mr. President, will the Senator from Texas yield?

Mr. YARBOROUGH. I yield.

Mr. MANSFIELD. Mr. President, I would like to join the distinguished senior Senator from Texas [Mr. YARBOROUGH] in expressing deep sorrow at the passing of our late colleague, Senator Tom Connally, of Texas.

His contributions to his State and to the Nation, as well as to the deliberations of this body, have been many, and will be most enduring. He served with dignity as chairman of the Senate Committee on Foreign Relations. He was a strong asset to the party to which he belonged and to the Nation of which he was a citizen.

Although we have for some time anticipated this sad event, nevertheless we are deeply shocked at the news that Tom Connally has now gone to his reward.

On behalf of Mrs. Mansfield and myself, I extend to his family our deepest sympathy in this hour of sorrow.

Mr. MORSE. Mr. President, will the Senator from Texas yield?

Mr. YARBOROUGH. I yield.

Mr. MORSE. It is with deep sadness, Mr. President, that I hear the announcement of the death of Tom Connally. He was a most valiant teacher of mine in the Senate. I worked with him for a good many years on many matters involving the foreign policy of this Republic.

Tom Connally was truly a great American. He has written on the pages of the history of the Senate a great record which will always be the greatest monument which possibly could be erected to his memory.

Tom Connally will live in American history. That is not true of most public servants. The record he made is a living one; it will live on for decades to come.

I join the Senator from Texas [Mr. YARBOROUGH] and the majority leader [Mr. MANSFIELD], in behalf of myself and Mrs. Morse, in extending to Tom Connally's family our deep sympathy.

Mr. YARBOROUGH. Mr. President, inasmuch as the Vice President of the United States, the former distinguished majority leader, and formerly my colleague from Texas, is now occupying the chair, and inasmuch as the rules of the Senate do not permit him to speak in the Senate, I wish to state that I know that in expressing our deep sympathy to the family of the late Senator Tom Connally, the Vice President would wish to join us in these remarks and in our expressions of appreciation for the outstanding services rendered by this very distinguished statesman.

Mr. FULBRIGHT. Mr. President, it was with sincere regret that I heard of the passing of former Senator Tom Connally, of Texas. His 36 years of service in the Congress, particularly during the Second World War and Korean war periods, provided an example of statesmanship for all to follow. It was under his chairmanship that the Committee on Foreign Relations passed on the United Nations Charter, the North Atlantic Treaty, the Rio Treaty, the Japanese Peace Treaty and other measures which have helped shape today's world.

His influence went very deep in the work of this body. I had served 4 years on the committee when Senator Connally retired, but I remember him well as a charming, interesting, and colorful individual. He added a great deal to the interest of all Members of this body.

Perhaps the sentiments of his colleagues and the memory of him as a man are best summed up in the closing paragraph of the resolution commemorating his retirement in 1952:

*Resolved*, That the Committee on Foreign Relations expresses its warm affection for Senator Connally, and its deep appreciation for his devotion and outstanding service which he has rendered to the committee, to the Senate, to the United States, and to the entire free world by his great ability, initiative, and statesmanship.

#### DR. OLAUS J. MURIE

Mr. BARTLETT. Mr. President, Olaus J. Murie is gone; but as long as one person who knew this great American continues to live, affectionate memories of a fine man will linger; and in his published works and in his contributions to the wilderness and to conservation and to the simple and good things of life, Olaus Murie has left an enduring monument.

Troubled by illness for many years, but resolutely following the outdoor life which he loved best whenever his health permitted him to do so, Olaus Murie died the other day in his beloved Wyoming. In commenting editorially on his passing, the Washington Post, said among other things:

Even in his advanced years, Dr. Murie walked through a forest with the graceful stride of a panther.

On first reading that sentence, I flatly rejected the contention that Olaus Murie was a man of advanced years. On reflection, I had to agree that as time is usually counted, he was certainly not a young man, being 74 or 75 at the time of his death. Yet to me and, I dare say, to everyone else who knew him, he was always young in heart and spirit.

Wyoming was home for Olaus Murie and his wife, Mardy. Alaska was surely their second home, and Mardy's first, almost. It was there she was raised, and it was there she and Olaus met. The story of their meeting and marriage in Alaska is recounted in Mardy's fascinating book "Two in the Far North," telling of their life in Alaska.

I knew Olaus Murie more than 40 years. To know him was to respect him and to admire him. His abiding interest in nature and his determination to save some of the wilderness unspoiled for the

future were as marked characteristics of the man as was his gentle spirit. We shall miss him.

Mr. President, I ask unanimous consent to have printed in the *RECORD*, as part of my remarks, the editorial which was published in the *Washington Post* last Friday.

There being no objection, the editorial was ordered to be printed in the *RECORD*, as follows:

To thousands of people who had hiked or camped with Olaus J. Murie or had talked with him on a mountain trail, he was Mr. Wilderness. Even in his advanced years, Dr. Murie walked through a forest with the graceful stride of a panther. His ears were attuned to every sound of the "singing wilderness," as Sig Olson would say. He was a friend of every living thing and seemed to find his greatest enjoyment in introducing other human beings to the mysteries of the wilds.

Dr. Murie began his fascinating career as a sort of ambassador of the wilderness when he and his wife Margaret went to Alaska to study the caribou for the old U.S. Biological Survey. Later they studied the wolves of Alaska and many other wild animals in their natural habitats. He was an eminent authority on the elk and in 1949 led an expedition to New Zealand to study that species. His volume of "The Elk of North America" and various other books won him high distinction as a naturalist.

Yet it was to the unspoiled forests, streams and open spaces, rather than the world of books, that he belonged. At home with the natives of remote areas as well as with the wild life, he exemplified the gentleness and natural wisdom that some sensitive people seem to derive from close association with the earth and its creatures.

As president and later as council chairman of the Wilderness Society, he was a tower of strength in many conservation endeavors. His interest in the preservation of natural beauty was pointedly demonstrated in 1954 when he came to Washington from his home in Moose, Wyo., to participate in the 175-mile C. & O. Canal hike led by Justice Douglas. At the age of 65, he hiked the entire distance even though he was ill at the time. His friends of that and many other expeditions will remember him as a highly civilized being who had acquired an aura of nobleness from the wilds that he loved so much.

#### SHIPBUILDING PRICES AND COSTS

Mr. BARTLETT. Mr. President, recently I had the privilege of reading the text of an address presented by the excellent and able president of the Shipbuilders Council of America, Edwin M. Hood, at the National Propeller Club Convention, at Baltimore. In the belief that my colleagues will likewise find Mr. Hood's statement of interest, I ask unanimous consent that his remarks be printed in the *RECORD*.

There being no objection, the address was ordered to be printed in the *RECORD*, as follows:

I am delighted to have this opportunity to talk about U.S. shipyard selling prices and the cost factors that govern them. This subject, it seems to me, has been badly maligned in recent years. Why U.S. shipyard prices should be singled out as a prime target for distortion while most other U.S. industries are similarly at an economic disadvantage with respect to their foreign counterparts is never made quite clear.

At the outset, however, let me say most emphatically that shipyard prices in the

United States have followed a general downward trend over the past 6 years while shipyard costs, in the same period, have steadily increased. This pattern is perhaps unique against the backdrop of the general inflationary pressures which have prevailed in our economy since 1953.

But, the dramatic trend of prices and costs in our industry has been completely obscured by the prominence given shipyard economics in foreign countries. Not only are price and cost comparisons cited, but the modernization of certain shipyard facilities in Europe is frequently used to create the illusion that U.S. yards, as one observer put it, are "steeped in antiquity."

In the limited time allotted to me, it is my purpose to expose these illusions for what they are and to place the U.S. shipyard price-cost balance in clear focus.

First, a few moments should be devoted to what has taken place with respect to foreign shipbuilding. It is little realized that your tax dollars—and mine—were used either directly or indirectly to reconstruct and rehabilitate foreign shipyards which were damaged or destroyed during World War II. Under mutual security and foreign aid programs, better than 1 billion U.S. dollars were spent in this endeavor. It is hardly necessary to add that the expenditure of an equivalent sum of money with U.S. shipyards would have greatly improved the economics of shipbuilding and ship repairing in this country.

But, modernized facilities can frequently be a mirage. Willy Schlieker's yard in Hamburg, Germany, which for a while was widely advertised as the most up-to-date and most automated shipyard in the world has been bankrupt and its doors are now padlocked. William Denny & Co., the venerable Clydeside shipbuilder and manufacturer of a Hovercraft air cushion vessel which has been pictured as a forerunner of the merchant ships of the future, has reportedly within the month gone into voluntary liquidation. Earlier this year, the trade journals announced that the modern Swedish yard, Uddevallavarvet AB, had gone into receivership and was taken over by the Swedish Government.

The experiences of these yards suggest that any modernization scheme—whether grandiose or modest—must be predicated on the expectation of a sufficient work volume to enable adequate use of the facilities and to justify the investment of hard cash. Those who downgrade the progress of U.S. shipyards and clamor for even more ambitious improvement programs, would make sense if they could offer some assurances that work volumes will increase to adequate levels in the future. To be sure, with prospects for more work, greater strides could be made.

*Comparative average hourly labor costs in U.S. cents, 1959-62*

|                     | 1959  | 1960  | 1961  | 1962  |
|---------------------|-------|-------|-------|-------|
| United States.....  | 268.0 | 277.4 | 292.2 | 300.9 |
| Sweden.....         | 142.4 | 149.0 | 159.2 | 168.2 |
| France.....         | 77.0  | 84.0  | 108.0 | 124.5 |
| Norway.....         | 96.7  | 99.9  | 104.6 | 109.3 |
| West Germany.....   | 78.9  | 28.1  | 91.2  | 108.3 |
| Denmark.....        | 89.6  | 95.0  | 101.8 | 108.0 |
| Netherlands.....    | 75.5  | 80.0  | 91.7  | 100.2 |
| United Kingdom..... | 82.3  | 88.8  | 94.5  | 96.4  |
| Italy.....          | 72.9  | 77.2  | 80.5  | 84.4  |
| Japan.....          | 66.3  | 68.4  | 72.3  | 73.3  |

It will be seen that U.S. labor costs range from nearly double to four times higher than those of our foreign counterparts. But, labor rates alone do not necessarily dictate the final price of ships. Other factors have an important bearing. For example, Sweden, which has the second highest labor costs, is able to offset this disadvantage because of favorable, less rigid labor agreements. Swedish yards are unhampered by rigid work rules and are able to interchange workmen

Even so, U.S. shipyards have not been pennywise and pound foolish. In the past 10 years, it is conservatively estimated that between \$250 and \$400 million have been spent for yard improvements. Supporting the higher estimate is the latest Census of Manufactures, published by the Department of Commerce, which shows that nearly \$40 million were spent for capital improvements in the shipyards in 1958 alone.

Most of the latter-day techniques such as optical lofting, automatic flame cutting, new welding processes, prefabrication, and so forth, are already being employed in our shipyards. Attention is also being given to the adoption of computerized operations, tape controls, and more. And, the U.S. shipyard industry leads the world in developing and building nuclear powered vessels. This accomplishment would not be possible without the capabilities and facilities to deal with the full spectrum of engineering and technical problems associated with the nuclear age.

But, in the great American tradition, if U.S. yards could see the potential for more work on the horizon, I am confident the necessary funds for greater improvements would be forthcoming. And, with it, shipyards would be in a position to pass on greater savings to the ship operator, the public treasury, and the taxpayer.

American ingenuity is numbered among our greatest national assets. That statement is not new to this distinguished audience. But, ingenuity and progress in our industry have come to be an absolutely necessary way of life. And, those who suggest that U.S. shipyards with built-in higher costs, as represented largely by our higher standard of living, can by some magical formula overcome the cost advantages of our foreign competitors are out of touch with the economic facts of life.

Shipyards produce mostly custom-built ships requiring an infinite number of skills and many months to complete. The opportunities for assembly line cost saving techniques are therefore limited. For one thing, a shipyard production run is small. And, series production in our industry usually involves an order for only two or five ships of similar design.

In spite of considerable investments in capital improvements and tremendous progress in utilizing new techniques, labor costs still remain a major item in determining the total cost of constructing a ship. To put this point in better focus, a comparison of average hourly shipyard labor costs, including all fringe benefits, prevailing in the principal shipbuilding nations of the world during the period 1959-62 is most enlightening.

and skills to achieve great economies and cost savings.

My point in focusing attention on comparative labor costs here and abroad is not to disparage the American worker. It is to emphasize that the American standard of living, of which we are justifiably proud, is a not inconsiderable factor in the economic equation that determines the price of materials and services which shipyards must procure. There are also those who say that



the productivity of the workingman, individually and collectively, must be included in the equation.

Thus far, I have endeavored to explain, in the language of the layman, the reasons why U.S. shipbuilding costs exceed those of foreign nations. I have also shown—I hope to your satisfaction—that our yards are anything but complacent, that they are technologically alert and that they are aggressively striving to reduce prices as well as costs. The index of estimated shipbuilding costs ranging from January 1, 1939 to December 31, 1962, provides more substantiating evidence of this point.

The experience curve, constructed by the Maritime Administration's Office of Ship Construction, reflects both labor and material costs of the shipbuilders. The curve is practically uninterrupted in its upward ascent. During the past 10 years, shipbuilding costs to the shipbuilder have increased about 33 percent. The rate of climb has been less severe lately, and it is hoped this short-term trend portends a leveling off of cost increases and greater productivity on the part of the labor force.

The trend of new ship selling prices in this country is even more striking. The experience curve, also drawn by the Maritime Administration's Office of Ship Construction, covering a time span from October 1957—when the subsidized ship replacement program got underway—through April of this year deserves wide notice.

Despite the fact that the shipbuilder's costs rose steadily during this period, shipbuilding prices fell steadily. The Maritime Administration's assessment of price trends shows that shipbuilding prices in December 1961 were about 22 percent below those which prevailed in October 1957. As of April of this year, these prices were still 18 percent below the October 1957 level.

You might ask—and properly so—how does the trend of ship prices in this country compare with other economic barometers during the same period? To provide this perspective, the Bureau of Labor Statistics' Consumer Price Index for all items would seem to be the most appropriate benchmark.

Plotting the Consumer Price Index against the same base as the new ship selling price index is also revealing. Consumer prices are 8 percent higher than they were in the fall of 1957. Shipbuilding prices today, however, are 18 percent below the level which prevailed nearly 6 years ago. And, contrary to the much-publicized charge in recent weeks by some of our friends in the shipping community, the Maritime Administration tells us that shipyard selling prices have increased only by 2½ percent from the low of December 1961. The charge that U.S. shipyard prices are today 7 percent above 1960 levels is obviously not shared by the Maritime Administration and certainly not supported by shipbuilders' records.

The pattern of decreasing prices and increasing costs in U.S. shipyards since 1958 is really the pattern of survival in a highly competitive industry. It reflects efforts to reduce man-hours and to conserve material purchases. In addition, it reflects efforts to decrease overhead, and in many cases, to eliminate considerations of profits.

With this performance on the part of the privately owned commercial shipyards, it is hard to find any justification for the present national policy of arbitrarily assigning slightly more than 50 percent of all naval ship procurements to Government-owned and operated naval shipyards whose costs are within the range of 10 to 33 percent higher. The needless drain on the Federal Treasury which results from this procedure should require no diagrams here, other than to say that a change in policy by awarding more of this work to privately owned commercial shipyards could start in motion a chain reaction of economic forces which

could effect greater stability in the industry. Hopefully, President Kennedy's statement last month that "no wasteful, inefficient or unnecessary Government activity will be tolerated" offers the promise of a change in policy with regard to naval shipwork.

And, so it is—the destiny of the U.S. private shipyard industry is shrouded with a cloak of public, and frequently industry, misconceptions and confounded with an admixture of national policies and international politics. As to misconceptions, these sessions of the Propeller Club conventions help to "clear the air." But, as to national policies and international politics, it is encouraging to have some veteran shipyard officials on the other side of the Atlantic Ocean argue that a flourishing shipbuilding industry in the United States must be at the foundation of all Western maritime policy. Toward the attainment of that free world resource, as well as in the accomplishment of essential national objectives, the private shipyards of the United States will continue to pursue vigorous efforts to reduce prices further, while at the same time delivering the best ships in the world.

#### DEPARTMENT OF AGRICULTURE NATIONWIDE MARKET NEWS SERVICE

Mr. BEALL. Mr. President, since August 1, the Department of Agriculture has been operating in the news media field through its nationwide Market News Service. I have always held a dim view of Government activities which compete with private enterprise, and in the case of this news service, I must express the strongest opposition.

During the past few years, much has been said about managed news. However, I take pride in our free press and the contribution it has made to a democratic society. With the establishment of a Department of Agriculture News Service, the principle of a free press is put in jeopardy. Government by its very nature tends to expand. It is not unreasonable to fear that this first entry into competition with our private news services will be duplicated by other Federal agencies.

In view of the fact that this nationwide Market News Service represents a new activity for which Federal funds will be expended, it seems to me that Congress should have had an opportunity to examine the program. I hope that the appropriate congressional committees waste no time in scheduling a full study of this questionable activity.

Mr. President, I can see no justification for permitting any Federal agency to enter the news reporting field. The News Service of the Department of Agriculture should be terminated immediately, and it should be made crystal clear that Congress will not permit other Federal agencies to adopt similar activities.

#### FAREWELL TO TAX REFORM

Mr. PROXMIRE. Mr. President, I have recently indicated my dissatisfaction with the lack of tax reforms in the tax bill presently before the Senate Finance Committee. I think that this is a dissatisfaction shared by many persons who have been interested in improving our tax structure. I feel that a rare op-

portunity to obtain basic tax reform has been frittered away.

In the New York Times for Wednesday, October 23, an editorial made the same point. The editorial first quoted Walter W. Heller, Chairman of the President's Council of Economic Advisers, as stating that "opportunities for tax reduction do not come often in a nation's lifetime."

The same thing could be said about tax reform. As the New York Times points out:

This was a year, if ever there was one, to undertake a basic overhaul of our eroding tax structure.

The article goes on to say:

The administration agreed to discard its most effective reform measures in the vain hope of accelerating the approval of reductions.

Thus, it scrapped its proposal to change the way in which oil and gas allowances are computed, a move that would have mildly reduced the preferential status of the oil lobby. It has in fact agreed to new provisions that will create new loopholes and complexities, making reform more necessary than ever.

In my previous remarks on the tax bill, I have also pointed out the possibility of inflationary trends. The Times also mentioned this possibility. The editorial states:

(The administration) has neglected the possibility that tax cuts in the absence of reform may provoke an unhealthy boom. Inflationary symptoms are admittedly scanty, but, as the recent price increases in steel and other products demonstrate, they are more in evidence than the signs of an economic decline.

Mr. President, I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

#### A FUMBLING OPPORTUNITY

Walter W. Heller, chairman of the President's Council of Economic Advisers, observed recently that "opportunities for tax reduction do not come often in a nation's lifetime." The record shows that Dr. Heller is correct. It is only on rare occasions that there is widespread agreement on the need for tax reduction. This year was one of those rare occasions, but the performance of administration spokesmen at the autumn meeting of the Business Council indicates that they are continuing to make the least of it.

This was a year, if ever there was one, to undertake a basic overhaul of our eroding tax structure. With economic activity running at record levels, the administration's original request for a broad tax revision program, involving reforms as well as reductions, was the right approach. But the White House agreed to discard its most effective reform measures in the vain hope of accelerating the approval of reductions.

Thus, it scrapped its proposal to change the way in which oil and gas allowances are computed, a move that would have mildly reduced the preferential status of the oil lobby. It acquiesced in killing off its proposal for a 5-percent floor on individual deductions without insisting on an alternative method of simplifying tax payments and strengthening the tax base. It has in fact agreed to new provisions that will create new loopholes and complexities, making reform more necessary than ever.

The administration has not only been willing to sacrifice reform, it has also pledged itself, in the manner of the Eisenhower administration, to curtail spending in a way that will inevitably result in jettisoning many necessary civilian projects. It has made little effort to cut back in areas of conspicuous waste, like agriculture, or in the huge outlays for defense and space. Thus the President's commitment to hold down spending will mean relative reductions for the growing social needs of a growing population.

The White House has stressed that tax reductions are needed to prevent a recession by giving the economy a shot in the arm; but it has neglected the possibility that tax cuts in the absence of reform may provoke an unhealthy boom. Inflationary symptoms are admittedly scanty, but, as the recent price increases in steel and other products demonstrate, they are more in evidence than the signs of an economic decline.

If tax cuts are voted, the administration is sure to claim that it has achieved a major victory. But in surrendering on reforms and giving in on spending, it has lost more than it can gain. The White House has fumbled its opportunity to lay a solid foundation for long-term economic growth.

### THE CLOUDY CRYSTAL BALL

Mr. PROXMIRE. Mr. President, recently the New York Times published a fine analysis by M. J. Rossant, pointing out the danger and difficulty of basing tax policy on economic forecasting. The economic forecasters have been wrong almost as often as they have been right. The predictions made by the leading economic advisers of Government that if we did not have a tax cut this year we would have a recession this year have already been proved wrong.

I ask unanimous consent that the article to which I referred, entitled "Cloudy Crystal Ball," by M. J. Rossant, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York (N.Y.) Times, Oct. 21, 1963]

#### CLOUDY CRYSTAL BALL: PESSIMISM OF U.S. ECONOMISTS FOUND FAULTY IN FACE OF ECONOMY'S STRENGTH

(By M. J. Rossant)

The administration's economic forecasters are back at the same old stand. Both Secretary of the Treasury Douglas Dillon and Walter W. Heller, Chairman of the President's Council of Economic Advisers, predicted last week that a recession was in the making for next year unless Congress approved an across-the-board reduction in taxes.

These predictions echo the alarmist view voiced by the administration, including President Kennedy himself, earlier this year. Washington then had the jitters about the state of the economy. It discarded its tax revision program of reforms and reduction to concentrate almost solely on across-the-board tax cuts because of the fear of a recession.

Tax reduction did not come through, but the economy did. Now, the administration is again talking in terms of tax cuts as a shot in the arm rather than as an instrument that can help to narrow the gap between the performance of the economy and its potential.

#### CAUTION IS VOICED

Mr. Dillon alluded to the weakening of the economic indicators over recent weeks as

the omen of a possible downturn, while Dr. Heller observed that "beyond the first few months of the year it is not easy to find enough economic steam in the economic boiler to prevent backsliding into recession."

The reversion to scare tactics implies that the economy is in delicate health if not actually ailing. Yet the latest and most sensitive barometers show nothing of the sort. The strength in demand for bank credit, construction, and retail sales indicates a renewed quickening in the pace of the expansion.

The administration is evidently unimpressed by the strength of business, just as it is unperturbed that its earlier predictions of recession for this year were, fortunately, erroneous. It is difficult to know whether it is motivated by the desire to win a political victory, or by honest concern about the economy.

If it does regard a deterioration in activity as probable, it is far from alone. The pessimistic belief that the economy will falter if tax reductions are not forthcoming has enjoyed an extraordinarily long vogue in both academic and business circles. Even though the economy has refuted it, it remains in fashion.

#### BUSINESSMEN'S FORECAST

Last week, for example, the Business Committee for Tax Reduction for 1963, headed by Henry Ford 2d, chairman of the Ford Motor Co., and Stuart Saunders, chairman of the Pennsylvania Railroad, issued a letter warning that "there are indications that the economy is now approaching a critical juncture," and declaring that tax cuts were essential if the current expansion is not to be curtailed.

Tax cuts would probably help to accelerate and prolong the expansion. But, as the Business Council pointed out this weekend, it does not follow that failure to enact a tax cut makes a recession inevitable for 1964.

The fact is that the pessimistic forecast that remains so fashionable has been out of touch with reality for well over a year. If forecasters continue to stick to this line, and if Congress refuses to act, they may eventually get a recession, if only because there comes a time when the most robust and durable expansion rolls over and dies.

But the case for an imminent recession is pretty weak. Given the poor record of the pessimists, the burden of proving that the economy is headed for a downturn unless saved by tax cuts is on them.

By their reckoning, the expansion should have been dead and buried by now. Even Dr. Heller, who was clearly more bullish than most academic and business prophets and did not foresee a decline in 1963, does not appear to have appreciated the strength of the basic forces at work.

#### PREDICTIONS WIDE OF MARK

In a speech in Milwaukee last week, Dr. Heller blithely acknowledged that he had been "wide of the mark" in his forecast for 1962, when he had expected the economy to reach boom proportions. He said, however, that he had been "very close to the mark" for 1963.

Dr. Heller's projections were more optimistic than the majority contained in a study entitled "Business Forecasts for 1963," published by the Federal Reserve Bank of Richmond. On this relative basis, he looks good. But considering his assumption that tax cuts would be in effect by last July, his claim of accuracy is questionable.

The Council's forecast for gross national product—the market value of goods and services produced in the economy—in 1963 was \$578 billion, plus or minus \$5 billion to \$573 billion was apparently intended to cover all conceivable possibilities, although the Council explicitly stated that it was counting on passage of the President's tax proposals.

Without tax cuts, it is probable that Dr. Heller would have plumped for a slightly lower range, from, say, \$570 billion to \$580 billion.

#### ESTIMATES EXCEEDED

Dr. Heller's crystal ball turned out to be cloudy. Despite Congress' failure to comply with the President's request for action by midyear, gross national product has been rising faster than Dr. Heller's most optimistic expectations.

During the first half, gross national products averaged close to \$576 billion at an annual rate. In the third quarter, it was running at an estimated annual rate of about \$588 billion. The average for the year should be in the neighborhood of \$585 billion, which is above the upper limit of Dr. Heller's tax reduction forecast.

It is possible that anticipations of tax cuts have helped to strengthen business activity, but evidence on this score is inconclusive. The most that can be said is that Dr. Heller may have come closer to the target than the majority of experts, but he has not come near the bull's-eye.

It should be clear by now that the performance of the economy is not due to magic. It has a lot of things going for it, and there is no sign that they are fading out. All major sectors—consumers, government, and business—are contributing to the rise.

Yet Dr. Heller and Mr. Dillon seem to be suggesting that the strong performance of the economy has been done with mirrors. They seem unable to believe that it can be kept going on its own.

The administration may be right in its skepticism about the future. But its renewed harping on the dangers of recession do not seem warranted. In fact, it is serving to discredit its reputation for responsible forecasting as well as the role it has played in prolonging the expansion.

### FREEDOM OF INFORMATION

Mr. SIMPSON. Mr. President, the Professional Journalistic Society, Sigma Delta Chi, has today made public an exhaustive report prepared by its freedom of information committee.

The society found that freedom of information in the Federal Government is at the lowest ebb in history—a conclusion which comes as no great surprise to those of us who have questioned the administration's policies of truth suppression.

In language with which I completely concur, the society asserted that Federal departments are hiding behind claims of "confidential" information which has resulted in "spreading the blanket of secrecy over the records of Government and particularly over those records pertaining to spending of taxpayer funds." Sigma Delta Chi concluded further that Defense Department officials have created "an oligarchy of control" over news released from the Defense Department.

Every administration attempts to present itself in a favorable light, but the New Frontier has completely misused this logical prerogative with gestapo tactics, deliberate lies, as in the case of the TFX investigation, the Cuban crisis, and more currently, in the situation in Vietnam. Much of this is brought out in the Sigma Delta Chi report which is destined to prove a significant contribution to the principle of freedom of the press and public awareness of the activities of elected officials.



I compliment the society for the depth and scope of its report and for the cogency of its conclusions.

Mr. President, the report is quite lengthy, and accordingly, I would like to call my colleagues' attention to the first section in which are found comments on the Defense Department, "the Government lie," "the TFX plane controversy," "Sigma Delta Chi testimony in Congress," and "Cuba and Vietnam."

I ask unanimous consent that these excerpts, together with a news item from this morning's Washington Post, be printed in the CONGRESSIONAL RECORD at this point.

There being no objection, the excerpt and news article were ordered to be printed in the RECORD, as follows:

[From Report of the 1963 Sigma Delta Chi Advancement of Freedom of Information Committee]

#### PART I. THE FEDERAL GOVERNMENT

##### 1. FREEDOM OF INFORMATION AT LOWEST EBB

President Kennedy had a lot of fine things to say about freedom of information in the Federal Government just before and right after his inauguration in 1961. But these fine resolutions have slowly eroded away during his nearly 3 years in office, and your committee must report that genuine freedom of information is at its lowest ebb today in the history of our Federal Government.

This can be summed up briefly in two sentences, as follows:

1. Secretary of Defense Robert S. McNamara and his public relations director, Arthur Sylvester, have created an oligarchy of control over the release of all news emanating from the Department of Defense and which led to its boast of "management of the news" in the Cuban crisis late in 1962.

2. All of the rest of Federal Government falls back on the mushy claims of "confidential" and similar excuses in spreading the blanket of secrecy over the records of government, and particularly over those records pertaining to the spending of the taxpayer funds.

On the other hand, the American people are being deluged today with more governmental propaganda than at any time in the history of our country. And the Department of Defense, both in the Pentagon and at the various military bases, is leading the way in this.

Webster's dictionary gives the definition of "oligarchy" as "despotic power exercised by a privileged class," and that exactly describes the approach of Secretary McNamara to freedom of information in the Department of Defense. The record shows clearly that he wants no dissent from his subordinates and that he is determined to institute rules to cut down on the possibility of any dissent arising or finding its way to the press.

Your committee is concerned about this for two reasons.

First, a democratic government always faces the great danger of usurpation of power by the military unless there is a constant restraint exercised by an informed public opinion. Thus far this year there have been several indications of the military's stretching its power, from behind its solid curtain of secrecy, into the domestic life of our Nation.

Second, the Department of Defense spends more than \$50 billion of tax funds a year and, of all departments of our Federal Government, its spending should be under the constant restraint of an informed public opinion to eliminate possible waste and corruption.

The rest of Federal Government, spending nearly another \$50 billion of tax funds a year, does this under the blanket of what your committee can only describe as "mushy

secrecy." Here is the way virtually all of Federal Government utilizes "mushy secrecy" to disregard the right of the American people to know about their Government, taken from an actual case in 1963:

1. Late in May, a newspaper asked Federal officials in its community for certain legitimate information, not pertaining to national security. It was told that such information must come from the headquarters at Washington.

2. The newspaper immediately asked the Washington offices for this information.

3. On July 1, the newspaper received a letter from the Federal agency in Washington stating that the information was "confidential."

4. The newspaper then appealed to Representative Moss's House Subcommittee on Government Information and to the Congressmen who represented its district.

5. On July 26, Representative Moss wrote, after making inquiries of the Federal agency, that its policy was not to withhold information generally but only in certain individual cases.

6. On July 31, the Congressman from the district wrote the newspaper and enclosed three items of information released by the Federal agency, over 2 months after it had first informed the newspaper that the information requested was "confidential."

If there is any doubt of this general policy of "mushy secrecy" in our Federal Government, your committee recommends that every newsman in our land try to seek out similar legitimate information from any Federal agency.

##### 2. THE MAJOR PROBLEM

The Department of Defense unquestionably represented the major problem in the information field during the last year. Both the policies and the practices of the Defense Department should cause grave concern among those interested in the maximum freedom of information.

It should be made clear at the outset, that the objections are not with the proper use of measures to protect the national security of the United States within the law and properly drawn regulations. No responsible newspaper reporters or editors have suggested that the Defense Department, or any other governmental agency, abandon properly administered secrecy practices necessary for the national defense.

The objections are raised to policies and practices that have been devised and used for the purpose of stopping the normal flow of information from the Defense Department on matters that are not involved with the national security.

The pattern of the Pentagon in the last 3 years would appear to be designed to quash dissent, and to close up the avenues through which evidence of dissent normally finds its way to the press and to the public. This pattern would appear to be designed to keep a close supervision over press contacts with civilian and military personnel at the Pentagon to quiet those who might provide information contrary to the views and facts the politically appointed civilian secretaries wish to have presented.

The record shows that the Pentagon has in fact instituted policies to control press contacts at the Pentagon, and has released false and misleading information in connection with a variety of major controversies. This is the pattern:

1. In May 1961, testimony released by the Senate Armed Services Committee disclosed that Secretary McNamara made a statement indicating he favored less information for the public as well as misinformation on our military developments. The attitude expressed in that testimony might explain some later developments. McNamara testified:

"Why should we tell Russia that the Zeus development may not be satisfactory? What

we ought to be saying is that we have the most perfect anti-ICBM system that the human mind will ever devise. Instead, the public domain is already full of statements that the Zeus may not be satisfactory, that it has deficiencies. I think it is absurd to release that kind of information."

Under criticism from Representative JOHN MOSS, Democrat, of California, Secretary McNamara issued a four-point statement on information policy that seemed to retreat from his position in his testimony. MOSS had called the initial McNamara statement "a gross disservice" to the American people and declared it was "advocacy of a program of misinformation."

2. In February 1962, Defense Secretary McNamara used the arbitrary claim of "executive privilege" to prevent the Pentagon censors from testifying on the operations of the censorship program that had resulted in highly questionable pattern of deletions from the speeches of high-level military personnel. There was no claim that national security was involved in this withholding incident. The letter from President Kennedy to McNamara on February 8, 1962, appeared to be a further extension of the arbitrary claim of "executive privilege" that had been used by the Eisenhower administration to hide a broad range of scandalous conditions in the regulatory agencies, in the Defense Department, and in the foreign aid program.

"I do not intend to permit subordinate officials of our career services to bear the brunt of congressional inquiry into policies which are the responsibilities of their superiors," President Kennedy said.

The Eisenhower administration's use of "executive privilege" sought to bar testimony from high-level officials of government. The Kennedy letter appeared to say that Congress could be barred from questioning low-level officials to go behind the broad general positions and self-serving declarations of heads of departments and their key aids.

3. During the crisis over Cuba in the fall of 1962, there was a wide range of complaints that misinformation was distributed by the Pentagon press office. There has not been sufficient documentation on these complaints to make a broad charge, or to pinpoint the responsibility for this misinformation. The Nation was in the midst of a crisis, and there is no doubt that mistakes were made by Government officials in the pressure of the crisis. It is also possible that there were some misunderstandings. However, there are some matters dealing with the Cuba crisis that are clear and premeditated efforts to limit access to information.

4. On October 27, 1962, during the Cuba crisis, Assistant Defense Secretary Sylvester issued a directive to control all press contacts at the Pentagon. That directive stated: "The substance of each interview and telephone conversation with a media representative will be reported to the appropriate public information office before the close of business that day. A report need not be made if a representative of the public information office is present at the interview."

It would be naive to accept the assurances of Sylvester and Secretary McNamara that the directive is for the purpose of making more information available in "an expeditious and equitable manner." Veteran Pentagon reporters, such as Mark Watson of the Baltimore Sun and Jim Lucas of the Scripps-Howard newspapers, comment that the Sylvester directive is a "gestapo" tactic. Their sharp criticism is echoed by almost every other military affairs reporter. Despite the criticism, McNamara and Sylvester refused to change the directive or withdraw it. (At the State Department, Assistant Secretary Robert Manning issued a memorandum that carried the same general view. However, he withdrew the memorandum after

receiving complaints from a large number of State Department correspondents. He indicated he had only intended to use it during the emergency.)

President Kennedy has backed McNamara and Sylvester on the October 27 directive. The press complaints have subsided, and it would appear that this press policing device at the Pentagon will become permanent unless some new fury is raised on specific problems.

### 3. THE GOVERNMENTAL LIE

5. Shortly after the Cuba crisis, Assistant Secretary of Defense Sylvester boasted of the way the Kennedy administration had "managed the news" during the Cuba crisis. He followed this up with his infamous and controversial comment about the "inherent" right of the Government to lie when involved in a nuclear crisis. The full quotation from the transcript is as follows: "If we can talk to the general point, it would seem to me basic, all through history, that a government's right—and by a government I mean a people, since in our country, in my judgment, the people express, have the right to express, and do express every 2 and every 4 years, what government they want—that it's inherent in the Government's right, if necessary to lie to save itself when it's going up into a nuclear war. This seems to me basic."

Considerable controversy arose over the news stories dealing with Sylvester's speech. Later Sylvester denied that he had ever said the Government had an "inherent" right to lie. When Sylvester was before the McClellan subcommittee in connection with the TFX warplane investigation, Senator KARL MUNDT, Republican, of South Dakota, asked him: "The question is that if you believe the Government has the right to lie to the people. You are speaking as a Government witness. I want to be sure that you don't carry that philosophy to the point of testifying before us under oath."

Sylvester answered: "You are making a quotation to me which was attributed to nobody, some faceless accuser which you are using. You have not quoted anything I have said."

MUNDT asked: "If you said you did not make it, that is one thing. I have read it a dozen times in the paper, that you made that statement. I am not quarrelling with you about that point of view at this time."

Sylvester replied: "Obviously, no Government information program can be based on lies. It must always be based on truthful facts."

### 4. THE TFX PLANE CONTROVERSY

6. Sylvester had been called before the McClellan subcommittee for making what is now admitted to be a false, misleading, and erroneous statement in connection with the TFX warplane investigation. On March 8, 1963, Sylvester held a press briefing and in a critical commentary on the McClellan subcommittee members stated: "You will hardly get a judicial rendering by a committee in which there are various Senators with State self-interest where the contract goes. So far there is only one Senator I have seen on the committee, Senator MUSKIE, who hasn't got an interest in it."

When Sylvester stated that "there is only one Senator I have seen on the committee, Senator MUSKIE, who hasn't got an interest in it," Sylvester was charging that Chairman McCLELLAN and other members of the subcommittee had a State self-interest.

Under questioning, Sylvester admitted that he had no information to support this charge against other members of the subcommittee. Only two of the members—Senator HENRY JACKSON, of Washington, and Senator JACOB JAVITS, of New York—had a State interest in the contract and there was nothing devious or hidden about this.

Committee members concluded that Sylvester had engaged in loose handling of the

truth in an effort to discredit the McClellan subcommittee probe of the \$6.5 billion TFX warplane contract.

7. Throughout the TFX investigations, the Pentagon released erroneous and misleading information. Also, high officials of the Defense Department refused to answer factual questions dealing with this multi-billion-dollar contract. Information was released indicating that Deputy Defense Secretary Roswell Gilpatric had served as a lawyer for the Boeing Co., and that this in some way balanced his affiliation as lawyer for General Dynamics in such a way that it canceled the possibility of any "conflict of interest."

When questioned by the McClellan subcommittee, Gilpatric admitted that he had not served as a lawyer for Boeing, but had only served as an unpaid witness on one occasion. The subcommittee developed testimony that Gilpatric's law firm of Cravath, Swaine & Moore had received \$300,000 in fees from General Dynamics, and Gilpatric had been the lawyer assigned to General Dynamics prior to becoming Deputy Defense Secretary in January 1961. Gilpatric refused to answer questions on the details of what he contended had been a total resignation from his law firm with complete severance when he joined the Defense Department. He refused to discuss the substantial sums of money he received from his law firm after becoming Deputy Defense Secretary. He said that these were private as between him and his law firm. Defense Secretary McNamara also refused to discuss these matters involving the important details on the arrangements for Gilpatric to receive money after becoming the number two man in the Defense Department.

Navy Secretary Fred Korth refused to discuss the details of arrangements of loans his bank in Fort Worth, Tex., made to the General Dynamics Corp. in the fall of 1961. Korth, as president of the Continental National Bank of Fort Worth, Tex., approved the loans (identified only as being less than the \$600,000 limit on the bank) to General Dynamics.

In January 1962, Korth resigned as president of the bank, but retained the bank stock with a value of more than \$150,000. Then Korth took part in the discussions and decisions in the TFX warplane contract, and overruled the unanimous recommendations of his top naval officers and others and recommended that the contract go to General Dynamics.

Korth refused to tell reporters the amount of the loan to General Dynamics, or the circumstances surrounding the loan. He refused to tell reporters the value of his stock in the bank.

There was no national security question involved in the transactions between Gilpatric and his law firm, which still represented General Dynamics. There was no national security issue involved in the details of Korth's relations with the Continental National Bank of Fort Worth or in the details of the loan arrangement with General Dynamics.

Gilpatric and Defense Secretary McNamara refused to discuss whether these interests had been discussed, or what facts were made known to McNamara on Korth's and Gilpatric's interests.

### 5. SIGMA DELTA CHI TESTIMONY IN CONGRESS

On March 19, 1963, Representative Moss House Subcommittee on Government Information held a public hearing on the matter of management of the news in Federal Government. Witnesses who testified were Robert J. Manning, Assistant Secretary of State for Public Affairs; Arthur Sylvester, Assistant Secretary of Defense for Public Affairs; and members of the press, including Clark Mollenhoff, Washington correspondent for

the Des Moines Register and Tribune and a member of your committee.

This report already has dealt with most of the matters discussed in the hearing. But in his testimony, Mollenhoff gave definitions of the four types of "management of the news" now practiced in Federal Government and your committee feels that this should be inscribed in the RECORD, as follows:

"Now, I think there is one thing that should be clarified here. There is an awful lot of talk in the press and in Congress on news management, without an effort to draw lines as between the different types of problems in this area. I want to very briefly just go over what I think are about the four types, because they have to be approached in different ways.

"The first would be the common news management, in which an administration puts out the information that is most favorable to it and then tries to make it a little difficult for you to get the other side of the story. This we fight to a degree all the time. I do not object to this too much, because that is part of the game—up to the point where you get the lies and the distortions, and at that point it is wrong.

"Also, such special directives as Sylvester's order of October 27 to control the press contacts at the Pentagon. This is an entirely different category. This is one that I think this committee and members of the press should fight in every respect until it is withdrawn, because, if this stays intact as it is, we will have other agencies that will follow it in the future.

"The mere fact that this directive is not enforced does not mean anything, either. Remember that it is a directive, and it can be used against personnel in the Pentagon at any point that they see fit to use it.

"That means that it is a club in their hands.

"Now, they may not use it for long periods of time, but I think that we have to continue to harp on this subject until it is corrected.

"The third area is the misuse of military security classifications to cover up mistakes of judgment, malfeasance, incompetence, and so forth.

"We have all run across many cases in this category.

"Then, fourth, and the one that I consider to be the most important, is the one of executive privilege.

"This committee has a great record relative to the abuses in this area, and there is no need to go into any more detail than to merely state that this is a claim of an inherent right by the executive branch to pull down the secrecy curtain at any point not only on the Congress, not only on the press, but on the Congress and the General Accounting Office.

"And when this administration took power, there were indications that it would not use executive privilege. There were a good many statements that it would not be used.

"Since then, it has been used. It has been drawn down a little bit by a statement by the President that he would not allow it to be used as it was used under the Eisenhower administration, by every individual in the whole executive branch of the Government. However, I am going to have to watch that in operation for some period of time before I have any great confidence that it will not take place again."

### 6. CUBA AND VIETNAM

Your committee took note of:

1. The international agreement, through an exchange of secret letters between President Kennedy and Premier Khrushchev, that led to the removal of the Russian long-range missiles from Cuba.

2. The great obstacles faced by American newsmen in their attempts to report U.S. participation in the undeclared war against the Communists in Vietnam.



Details of the secret international agreement between Kennedy and Khrushchev over removal of the Soviet missiles from Cuba never have been made public.

Immediately after the crisis, French newspapers carried stories, based on information from their government, that the United States had agreed to dismantle our missile bases in Turkey and Italy in return for the Soviet dismantling in Cuba.

This was denied by American Government spokesmen, yet within a few weeks the United States did dismantle its missile bases in Turkey and Italy, and it was announced that American defense in those areas against the communistic threat would be left to our nuclear submarines.

Meanwhile, on July 3, it was disclosed that no less than 40 secret letters and messages had been exchanged in a running communication between Kennedy and Khrushchev. One newspaper reported these letters as the "Government's most carefully guarded secret," and quoted a U.S. Senator, who insisted that his name be withheld, as saying: "I confess that I'm a little shocked to learn the great volume of these exchanges. What are they writing about at such great length, if not plans for serious negotiations on subjects affecting the entire Nation's security?"

Your committee realizes that it is almost impossible to conduct international negotiations in a fish bowl, but at the same time it sincerely feels that the secret agreement over removal of Soviet missiles from Cuba and the 40 secret letters and messages between the heads of the American and Soviet Governments are absolutely contrary to the principles of free government.

This is particularly true in the face of the fact that these secret communications undoubtedly dealt with subjects affecting the well-being of free American citizens and perhaps even their lives. Certainly the American people are entitled to a complete and accurate report on any international agreement relating to the encroachment of communism 90 miles from our shores, and likewise they also are entitled to a white paper or other official report from Washington on secret negotiations between their elected President and the chief of the communistic dictatorship.

What is taking place in our undeclared war against communism in Vietnam, which is costing both American lives and considerable tax dollars, is even more confusing.

On June 23, American newspapers reported that U.S. servicemen on duty in South Vietnam were being instructed to avoid "gratuitous criticism" and to give a more positive picture of the war to American reporters.

In its Log of July 4-11, the Associated Press gave details of how Vietnamese secret police pummeled, knocked down, and kicked American reporters and smashed their cameras.

On July 27, Editor & Publisher reported on the efforts of the South Vietnam Government to curtail the international press covering the feud between the Buddhists and the Diem government, and said that Vietnamese nationals employed by the foreign press had been threatened with prison.

Here again your committee sincerely feels that all of this is absolutely contrary to the principles of free government. The American people, called upon to fight an undeclared war in the jungles of the Far East, deserve complete and factual information from day to day and if the American Government officials in Vietnam are not supporting the American reporters, as has been reported, then our Government at Washington is obligated to step in and to give both cooperation and protection to representatives of the free American press.

[From the Washington (D.C.) Post, Oct. 28, 1963]

#### PENTAGON NEWS CONTROL SCORED

CHICAGO, October 27.—Americans have been deliberately deceived and kept in ignorance about matters affecting security and use of taxes by politicians who have kept information at "the lowest ebb in history," Sigma Delta Chi, professional journalistic society, said today.

The 60-page report of the society's freedom of information committee leveled heaviest criticism at the Defense Department. It said Defense Secretary McNamara and Assistant Defense Secretary for Public Affairs Arthur Sylvester have created "an oligarchy of control" over news.

The committee said it was not objecting to "proper use of measures to protect the national security of the United States."

#### NEVER MADE PUBLIC

"The pattern of the Pentagon in the last 3 years would appear to be designed to quash dissent and to close up the avenues through which evidence of dissent normally finds its way to the press and to the public," it said.

The committee said "the international agreement, through an exchange of secret letters between President Kennedy and (Soviet) Premier Khrushchev over removal of the missiles never has been made public."

It was disclosed that "no less than 40 secret letters and messages had been exchanged" between the two leaders during the crisis, the report said.

The critics acknowledged that negotiations cannot be conducted "in a fish bowl," but said that the American people were entitled "to a white paper or other official report from Washington on secret negotiations between their elected President and the chief of the Communist dictatorship."

The committee, headed by V. M. Newton, Jr., managing editor of the Tampa (Fla.) Tribune, urged passage of a law requiring all Federal Government records "other than those of a security nature" be opened constantly to public inspection.

#### EXCUSES DEcriED

"All of the rest of Federal Government falls back on the mushy claims of 'confidential' and similar excuses in spreading the blanket of secrecy over the records of government, and particularly over those records pertaining to the spending of the taxpayer funds," the report said.

Congressional freedom of information suffered its "worst year of the last decade" and 39 percent of all congressional committee meetings were held in closed session during the first 3 months of 1963, the society said.

The number of secret meetings was "6 percent higher" than 1962, said the report, and committees with the highest secrecy rate were the Senate Armed Services, 85 percent closed, and House Foreign Affairs, 74 percent closed.

#### ADMINISTRATION IMMIGRATION PROPOSAL

Mr. YOUNG of Ohio. Mr. President, no provision of any national law is more distasteful to millions of Americans or to the peoples of many nations of the world than the concept of judging a man's worth for immigration to our country on the basis of his place of birth or the racial ancestry of his parents. This is contrary to the great traditions of this Nation. As a people we are morally committed to seek a national policy

which will make real the simple truth of the words of St. Paul:

God \* \* \* hath made of one blood all nations of men for to dwell on the face of the earth.

Although most Presidents since Woodrow Wilson have called upon the Congress to take corrective action, President Kennedy's proposal to abolish the national origins quota system is the first time that a specific bill has been proposed to the Congress by a President. The law he seeks would squarely meet national needs and also be pleasing to foreign nationals. It recognizes that each immigrant has a special worth because of his potential contribution to the total manpower of our country and that he should be judged on his individual ability.

The bill will provide flexibility in refugee policy, remove offensive Asiatic restrictions, and increase basic quotas for many new nations. Over a 5-year period it would eliminate all quotas based on national origin. The total annual quota would be raised only slightly from the present 154,000 to an estimated 164,000. One important objective is for the reunification of families now separated by our outmoded immigration laws. It is with a sense of privilege that I cosponsored the legislative proposal to carry out the recommendations of our President. Let us remember at all times, we are the nation which chiseled on our Statue of Liberty:

Give me your tired, your poor,  
Your huddled masses yearning to breathe free;  
Send these, the homeless, tempest-tossed to me;  
I lift my lamp beside the golden door.

#### CENTENNIAL CELEBRATION OF POSTAL CITY DELIVERY SERVICE

Mr. KUCHEL. Mr. President, 100 years ago Abraham Lincoln signed into law a bill to provide for the city delivery service of mail. Thus, in the dark days of the 1860's, the Great Emancipator brought to the American people a new and greater opportunity to communicate with one another through the mails.

Last Saturday evening, the National Association of Letter Carriers celebrated this centennial with a dinner in the Sheraton Park Hotel. They utilized the occasion to salute Hon. William C. Doherty, U.S. Ambassador to Jamaica.

Bill Doherty was president of the Letter Carriers of America for 21 years. The Letter Carriers have established a scholarship fund for the sons and daughters of their own members, to give them an additional opportunity, through appropriate competitive examinations, to continue their education in colleges and universities. I join in saluting Bill Doherty, in whose name the scholarship fund was created.

On that occasion, the Ambassador made an excellent speech in which he discussed the history of city delivery

service and how, in 1863, one postal employee began on his own to deliver mail to the homes of families in one part of the community in which he labored.

From that small beginning under Lincoln's Postmaster General, the Congress became interested in providing this unique and hitherto unheard of service to all the people of the country.

Ambassador Doherty also discussed the role of the postal employee in the Government of our Nation, and the unselfish devotion to duty that has ever been his. Along with many Senators and Representatives I was pleased to be present on that occasion, as were members of the President's Cabinet and other distinguished citizens.

Mr. President, I ask unanimous consent to have the text of Ambassador Doherty's address printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

#### CENTENNIAL CELEBRATION OF POSTAL CITY DELIVERY SERVICE

Mr. Chairman, distinguished guests, and friends: It should be apparent to everyone who knows me at all, that this is one of the proudest and happiest moments in my life. I am overwhelmed by this generous outpouring of people from all walks of American life.

It is an especially proud moment to be able to share with so many distinguished friends the centennial of city delivery service.

And, of course, I am extremely gratified that this affair should serve as the source from which the scholarship fund, which has been given my name, will grow into being.

When we think of the modest beginning of our city delivery service just 100 years ago and then gaze upon this vast and glittering assembly, one is almost stunned by the progress achieved during the past century.

There has been a running argument over the years, ever since this country was founded, as to whether the Post Office is a business or a service. However, there is no doubt whatsoever that the whole concept of city delivery was based on the presumption of service—a vital and necessary service to the American people.

The credit of conceiving the idea of city delivery must go to a man who was both a postal clerk and a postal supervisor in my native State of Ohio. His name was Joseph William Briggs, and he was both the Assistant Postmaster and a window clerk in the Cleveland Post Office.

The Civil War was in full progress and the wives and mothers and sweethearts of the boys in uniform were naturally hungry for word of their loved ones. But, in those days, a citizen had to make his way to the local post office to find out if there was any mail for him.

There was a kind of primitive delivery service in those days, but it was irregular and unofficial. A patron could arrange to have a messenger pick up his mail and bring it to him—for a fee. The system was untrustworthy, expensive and slow, and few people used it.

So, one bitter cold day in Cleveland, in the year 1862, Mr. Briggs looked out at the long line of women waiting in the snow to inquire for their mail, and he had a compassionate thought. Why could not the U.S. Post Office devise a system of delivering letters to the homes of these people?

With Briggs, to think was to act. He devised a system and set up a route for himself. He then walked the route and de-

livered mail to the houses. He became America's first letter carrier.

Briggs then wrote to Postmaster General Montgomery Blair and described his experience. Montgomery Blair—a truly great Postmaster General—brought Briggs to Washington and put him in charge of developing the system on a nationwide basis. Congress was finally convinced of the soundness of the idea and passed the enabling legislation. Abraham Lincoln signed the bill into law on March 3, 1863 and on the following July 1, the first letter carriers in history started walking the streets of 49 of our largest cities—delivering mail to our citizens.

There are several aspects of this series of events that are worthy of special notice.

In the first place—just imagine the courage and the imagination and the boldness of the Lincoln administration—embarking on an experiment of such scope and magnitude in the midst of a great Civil War.

Just think of it. City delivery service was inaugurated on the very same day that the tragic slaughter was beginning at Gettysburg.

During my 21 years as president of the National Association of Letter Carriers, I saw administrations many times refuse to consider even the most inconsequential improvements in the postal service—or in the pay and working conditions of postal employees—because of some minor (and often largely imaginary) national crisis. But, here was a case of an administration—at the climax of the greatest crisis this Nation has ever faced—embarking on a bold civilian program of unparalleled magnitude.

And, the second moral to be drawn from these events is this: If the Government offers its citizens a worthwhile service, and makes that service attractive, available and reasonably priced—it will soon pay for itself.

When the idea of free city delivery was first proposed, the conservatives and die-hards in Washington predicted national bankruptcy, ruin and devastation. However, this new program made the postal service so attractive that people found it almost irresistible. In its first year of being, city delivery cost approximately \$300,000. But—postal revenues in that year—which had been steadily declining during the war years—leaped up by more than \$3 million. More people started using the mails and they started using them more extensively.

As an old postal professional who literally grew grey in the service, I offer these two observations, Mr. Postmaster General, as something to be remembered in the years that lie ahead of you.

Enlightened boldness has seldom been tried in the postal system—but, when it has been tried it has always reaped great rewards.

And—intelligent regard for improving the service will accomplish more in the way of productivity and efficiency than will all the programs of arid economy ever conceived by the mind of man.

Although the city delivery service was inaugurated on a wave of generous impulses, it is regrettable that I must report that these impulses died down rather suddenly as the new system lost its novelty. During the 1870's and 1880's, Postmasters General began to show a marked reluctance toward paying letter carriers a living wage. The original salary was set at \$800 a year maximum, and it stayed at that level for 25 years.

This led to the organization on August 29, 1889, of the National Association of Letter Carriers, in the city of Milwaukee, and the Postmaster General's home State of Wisconsin.

The organization of the NALC had to be carried out with the greatest secrecy, for

fear of reprisals from management. As a matter of fact, the organizing convention was held under the cover of the annual encampment of the Grand Army of the Republic in Milwaukee that year—and many of those original organizers—including William H. Woods, of Detroit, the first national president—were wearing the blue of the Union Army at Gettysburg on the day city delivery was begun.

It may interest you to know that this original convention passed three principal resolutions regarding pay and working conditions.

The first called for an annual wage of \$1,200 a year. This goal was finally reached in 1907—18 years later.

The second called for a guaranteed wage of \$200 a year for all substitute letter carriers. The first guarantee of any kind for substitutes was achieved in 1945—56 years later. And there still is no guaranteed minimum annual wage.

The third resolution called for voluntary retirement—with pension—after 20 years of service. Seventy-four years have passed—and we are still trying to get voluntary retirement after 30 years.

So, you must admit, those early organizers of the NALC were not bashful. They were well in advance of their time—in many ways.

Of course, in those early and formative days, even a Neanderthal man would have been in advance of the social thinking of postal management.

Looking back from these days of happy accord with management—the conditions which have confronted letter carriers and other postal employees over the years seem primitive to the point of savagery.

As I look over this impressive assembly, I cannot help but reflect how impossible it would have been to hold such a gathering as this—until, relatively quite recently.

In the early days, it took courage to belong to a postal union. Management and the inspection service of that time looked upon the National Association of Letter Carriers with apprehension, antipathy, and bitter resentment.

Known members were assigned to the worst routes in their community. Leaders of the movement were fired out of hand for subversive behavior.

In 1903 President Theodore Roosevelt issued the notorious "gag rule" which made it unlawful for a Federal employee, or any group of Federal employees, to write or speak to a Member of Congress on any matter regarding pay or conditions of work.

The penalty for disobedience was instant dismissal.

Although this rule was plainly unconstitutional—since it inhibited the right of petition—it remained in effect for 10 years—until passage of the Lloyd-La Follette Act in 1912.

It is no coincidence that social gains within the postal employee force were held to a minimum during those 10 years. Postal employees could only complain to postal management which was the cause of the complaints in the first place.

I mention these things because—knowing the prestige and the respect that the NALC and the other postal unions enjoy today—it is easy to take all this progress for granted—as if it had been presented to us on a silver platter.

Nothing could be further from the truth. Every forward step we have taken was fought for, worked for and earned.

It has been a long journey from those furtive beginnings in Milwaukee in 1889 to the celebration of an occasion like this—and it has been uphill every foot of the way.

And, certainly, it would have been unthinkable in the past for so many people—from Government, from management and



from labor—to join hands together in a common effort to create college scholarships for the specially talented sons and daughters of letter carriers.

Contrast for a moment, if you will, please, those dark days of yesteryear with the bright spectacle we witness here tonight. Honorable members of President John R. Kennedy's Cabinet in the presence of Postmaster General Gronouski and Secretary of Labor Wirtz; distinguished Members of the U.S. Senate and House of Representatives; His Excellency the Jamaican Ambassador to the United States, Sir Neville N. Ashenheim; the most outstanding trade unionist in the world today, AFL-CIO President George Meany; labor and management leaders and a vast army of kind and generous people.

I am delighted and proud that the letter carriers of the Nation voted to put my name on this noble project.

However, I am constrained to say that it would have been appropriate to name the scholarship fund after a gracious lady who succeeded in educating her nine children on the meager earnings of a letter carrier. She has also counseled and guided the hand of this speaker for nearly 2-score years. I would have named the scholarship fund after Gertrude Dacey Doherty.

Over the years, letter carriers, and the families from which most of them spring, simply have not had the economic means of sending their youngsters to college.

Even the State universities have been beyond their means—because in many instances, the financial affairs of the family were so straitened, the youngsters had to become breadwinners as soon as possible.

I can speak with some authority on this subject because, when I was a boy in Cincinnati, Ohio, almost half a century ago, I was forced to leave school in order to go to work, to add my bit to the family income.

My successor as president of the National Association of Letter Carriers and my dear friend, the brilliant, and learned, Jerome J. Keating, is a glowing exception. He worked his way through the University of Minnesota as a substitute letter carrier—and he even went on to take extensive postgraduate work. But, as Jerry Keating would be the first to admit, the burden was an almost intolerable one, far more than any youngster should be asked to bear.

And I will say here and now that there are precious few people with the determination and the mental and physical stamina of a Jerome J. Keating. I know you will agree that Jerry Keating is one of the exceptional people of our generation. I want to pay special tribute to him tonight as a great friend, a great organization president and a great labor leader in his own right.

During the more than 30 years that I served as an officer of the NALC I saw so many youngsters of great ability come into our organization—young men who could easily have become doctors, lawyers, business administrators, governmental leaders, scientists, or scholars if they had been given the educational opportunities—and I often wondered how the Nation could afford to continue to squander so many obvious and useful talents among its young citizens.

Mind you, I do not say this in derogation of the letter carrier career. Not at all. The career of a letter carrier is a noble one and it is followed by noble people—people who perform a vital service selflessly and for low pay.

We were and are proud to have these outstanding young men in our ranks and, I am happy to say, they are proud to be counted among our numbers.

But, the National Association of Letter Carriers, its members, and its officers, are determined that at least some of the children of these outstanding people shall have the educational opportunities that their parents were unable to enjoy.

I am gratified, more than I can say, at finding that so many of the friends of the letter carriers are sharing that determination with us.

As our society has become more specialized, and as it has become more and more endangered by its own inventiveness and ingenuity, we have become more and more aware of the universal need for people thinking, as a basis for our civilization. To survive in this perilous world we must develop generations, not only of scholars and scientists and specialists, but also of human beings with trained minds accustomed to hard and serious thinking. The exact measure of the progress of our civilization has always been the degree in which the common mind has prevailed over brute force. In the world of tomorrow and the day after tomorrow, this measure will be even more exact than it has been in the past. The minimum standards for survival will be higher; the standards for world leadership incomparably more severe.

The scholarship fund which you are making possible tonight will be a small but definite step toward meeting the challenge of the future.

So, thank you, from the bottom of my heart, for what you have done—what you are doing—and what you are planning to do.

I know letter carriers as well as any man on earth has been privileged to know them. I know from long experience that any effort or money that is spent on their behalf is invariably repaid a thousandfold—in satisfaction, in loyalty, in friendship, in gratitude. I know that—for the rest of your natural lives—you will be proud of what you have contributed to this great and noble cause.

Thank you—and God bless you.

Mr. KEATING. Mr. President, I wish to add to the remarks of the distinguished Senator from California [Mr. KUCHEL]. It was appropriate, indeed, that the fine organization known as the National Association of Letter Carriers should honor their former president, Bill Doherty, who is doing such a fine job as our Ambassador to Jamaica.

I have used the illustration of Bill Doherty many times in connection with the always recurring argument about career people versus noncareer people serving as ambassadors. Personally, I favor both. Ambassadors should be career people predominantly, but there is also an appropriate place for fine, outstanding men and women who have succeeded in other fields. Bill Doherty is an outstanding illustration.

#### STUDY BY COMMITTEE ON GOVERNMENT OPERATIONS OF MATTERS PERTAINING TO INTERAGENCY COORDINATION, ECONOMY, AND EFFICIENCY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business may be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 569, Senate Resolution 215, which is noncontroversial.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The legislative clerk read the resolution, as follows:

Resolved, That S. Res. 27, Eighty-eighth Congress, authorizing the Committee on Government Operations to study matters pertaining to interagency coordination,

economy, and efficiency, agreed to March 14, 1963, is amended on page 2, line 20, by striking out "\$88,000" and inserting in lieu thereof "\$108,000".

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the resolution.

The VICE PRESIDENT. The resolution is open to amendment. If there be no amendment to be proposed, the question is on agreeing to the resolution.

The resolution (S. Res. 215) was agreed to.

#### CONTINUED SWEEPING OF TFX UNDER RUG IS CRITICIZED

Mr. MILLER. Mr. President, the perceptive columnist Richard Wilson has analyzed the recent developments in the TFX aircraft controversy in an article which was published in the Des Moines Register of October 22. He makes some telling points, not the least of which is summed up in this paragraph:

What was considered an outrage in the Eisenhower administration is considered justifiable practice in the Kennedy administration. This is what is most exasperating to Kennedy's old friends at the Capitol. They say that the President seems to think that whatever a Kennedy does is right.

Mr. Wilson was referring to what he termed the "chronic apologists" for the Kennedy administration in continuing to sweep the TFX inquiry under the rug.

Mr. President, we cannot afford to have this matter swept under the rug, regardless of what administration is in the White House. Integrity is one of the principles upon which this Nation rests, and the minute a possible conflict of interest is permitted to exist with the full knowledge of public officials, this foundation will begin to weaken. Once the people get the impression that a public official can "get away with" anything, then they will lose confidence in their Government.

This matter has gone on too long. Questions which have arisen must be answered. The people have a right to know the answers.

Mr. President, I ask unanimous consent to have printed in the RECORD the article entitled "Continued Sweeping of TFX Under Rug Is Criticized."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Des Moines Register, Oct. 22, 1963]

#### CONTINUED SWEEPING OF TFX UNDER RUG IS CRITICIZED

(By Richard Wilson)

WASHINGTON, D.C.—Chronic apologists for the Kennedy administration continue to sweep the TFX inquiry under the rug, although it is evident to those who have studied the record that the grossest kind of favoritism was involved.

The favoritism consisted of overriding by the civilian authority of the highest technical military consensus without a factual record, then or since, sustaining the decision.

President Kennedy's bland acceptance of this condition is very disheartening to his old associates at the Capitol. They thought that his experience as a member of the in-

investigating subcommittee of the Senate Government Operations Committee would insure his vigilance as President where matters of this kind were concerned.

#### DIFFERENT PERSONS

But as it turns out, Kennedy as a Senator seeking to discredit a Republican administration, and Kennedy trying to preserve the image of his administration, are two different men.

What was considered an outrage in the Eisenhower administration is considered justifiable practice in the Kennedy administration. This is what is most exasperating to Kennedy's old friends at the Capitol. They say that the President seems to think that whatever a Kennedy does is right.

Nor is it any less exasperating to Kennedy's old friends that the recent resignation of Fred Korth as Secretary of the Navy should be presented as owing solely to some sudden dispute other than TFX. For, it is the conviction of Senator McCLELLAN, the chairman of the investigating committee of which John Kennedy was once a member and Robert Kennedy was counsel, that the President knew the full extent of what the renewed TFX inquiry will shortly reveal. These disclosures were laid before high Kennedy officials prior to Korth's resignation.

#### A DEEPER RELATIONSHIP

The new evidence showed that the relationship of Korth with high officials of General Dynamics Corp. ran deeper than had been revealed.

Even the New York Times, as yet unaware of the new disclosures about Korth, concluded that the Secretary of the Navy should have disqualified himself from taking any action in the \$6 billion TFX deal because of his association with General Dynamics, which was awarded the huge contract for a new biservice fighter plane.

The same reasoning applies with even more force to the Deputy Secretary of Defense and a man of fine reputation, Roswell Gilpatric. Gilpatric, deeply involved with General Dynamics through the law firm to which he will shortly return, should have disqualified himself from taking part in the TFX deal. He did not do so. It was a serious mistake.

#### SHOULDN'T HAVE PARTICIPATED

Korth and Gilpatric should not have been in the picture. They should not have participated even if it could have been shown, and it was not shown, that the General Dynamics plane was superior to the Boeing model. What now makes it worse is that they did participate and a record can be made that the Boeing plane was better and cheaper.

It would be highly embarrassing to Kennedy to admit any of this in connection with Korth's resignation. If it were to be admitted, this would be an indirect confession that Secretary of Defense Robert McNamara was wrong. That is a confession Kennedy will never make because it would also mean that Kennedy was wrong.

The record shows that McNamara did not formalize his decision until he had cleared it with Kennedy in a White House conference. Moreover, in that conference, according to the Senate record, Kennedy was not apprised of the full facts.

#### HIS BASIC WEAKNESS

But, beyond all that, the TFX case has taken on its biggest intra-Government significance as the imposition of the will of civilian authority over military. All considerations of fact and evidence seem to have been set aside in favor of such a willful assertion.

This is McNamara's basic weakness. He has transferred to the matter of national defense the practices and customs of the dictatorial structure of private corporations. It doesn't work. McNamara could not know

enough to put his judgment against the collective knowledge and experience of hundreds of military experts in the narrow field of supersonic fighter aircraft.

#### THIS INQUIRY WILL CONTINUE

But he has unlimited confidence in his ability to do so. He could do no wrong. Korth could do no wrong, nor Gilpatric. This is the way corporations operate. But it is not the way the Government operates.

The McClellan committee is slowly but solidly making the record that shows the shaky basis on which the TFX award was made, and the interests of those who participated in making the award. This inquiry will continue for some time.

#### THE 45TH ANNIVERSARY OF THE CZECHOSLOVAK REPUBLIC

Mr. KEATING. Mr. President, today marks the 45th anniversary of the birth of the Czechoslovak Republic—a Republic which for more than 15 years has suffered under brutal Communist suppression. On this day, Czechoslovakian people all over the world will somberly reflect upon the history of their country, which once enjoyed the liberties of a free society but which now is closeted within the confines of Communist tyranny.

Mr. President, the Czechoslovakian people enjoyed prosperous development under the enlightened leadership of their two democratic Presidents—Thomas Garrigue Masaryk and Eduard Benes. During the 20 years of their influence, Czechoslovakia made remarkable strides not only economically and politically but also socially and culturally. Particularly during this period of time, the Czechoslovakian people learned to cherish the unique liberties of a free government—a government sensitive to the needs of the people—a government which today is so obviously lacking.

Mr. President, the Soviet occupation of Czechoslovakia has brought with it the exploitation of the land, the inspiration of class hatred, and the ruthless suppression of all those who oppose the dictates of the Kremlin. Barbed wire fences and mine fields have been set up throughout the country to instill fear and thereby allegiance to the Soviet Union. Clearly, this Iron Curtain is a blatant acknowledgment by the Communists of their own unpopularity.

Mr. President, the lips of the Czechoslovakian people have been silenced, yet their hearts remain faithful to the ideals of freedom. Let us who so highly cherish these ideals not forget the Czechoslovakians in their hour of anxiety. On this somber occasion, as we pay tribute to these fine people, let us reassure them that we have not forgotten their plight and that we are hoping and praying for their eventual liberation.

#### MAN OF THE YEAR AWARD

Mr. KEATING. Mr. President, the Pulse Man of the Year award for 1963 was presented on October 16, 1963, to John Kluge. As owner of the Metropolitan Broadcasting Corp., he has dedicated time, effort, and imagination to bringing variety and vitality to broadcasting. Metropolitan media has ex-

panded under his direction from 4 to 13 stations. He has offered exciting leadership in the field of broadcasting and deserves our encouragement and thanks.

Mr. President, I ask unanimous consent to include following my remarks the text of Dr. Sydney Rostow's citation when he presented the award to John Kluge at the Pulse luncheon.

There being no objection, the citation was ordered to be printed in the RECORD, as follows:

TEXT OF DR. SYDNEY ROSTOW'S CITATION OF MR. JOHN KLUGE AS PULSE MAN OF THE YEAR 1963 AT THE PULSE LUNCHEON IN NEW YORK, WEDNESDAY, OCTOBER 16, 1963

Yesterday's accomplishments, John Kluge has said, "belong to yesterday. What makes us alive is that were looking ahead to today and tomorrow." I remember reading that credo in a broadcasting magazine story about John Kluge and metropolitan broadcasting, and I remember resolving to remember it.

It helps to explain why our man of 1963 can approach his task and his mission with a special vitality and concentration. It also helps explain how he can look at the same things other people have been looking at for years, and see different patterns, different possibilities, different implications, and even different scales. By that, I mean, in the vein of Dr. Theodor Levitt's "Marketing Myopia," a now famous essay from the Harvard Business Review, the vision to perceive that he is not in radio but in broadcasting, not in broadcasting, but in mass media; not in mass media but in communications; not in communications, but wherever his vision extends. In directing Metropolitan's expansion from 4 stations to 13, he has accomplished things no one thought possible. He decided independent operation could be profitable at a time when independents and even some networks affiliates were losing money. And he has proved his point, through prudent programing, through judicious purchase of feature films, through bold concepts of service on a local level. He has shown a flair for innovation and for people who innovate. And a rare genius for finding the right men for the right jobs, and giving them full responsibility and with authority and money to match. He has shown a willingness to pay well for facility and to upgrade as fast as possible. Among the people in whom he reposes confidence are people who are very mindful of research, as a contributing factor toward the kind of efficiency which means so much to John Kluge.

Mr. Kluge's broadcast experience spans a period of 16 years. During this time, he has been affiliated with a number of broadcasting properties—as president, partner, director, or major stockholder.

In 1951, Mr. Kluge directed the major part of his energies and resources toward broadcasting. He purchased the controlling interest in Metropolitan Broadcasting Corp. and accepted the responsibility of the top management position. He promptly set in motion policies that have spelled rapid success for the company in serving the public and as a business enterprise—in television—with WNEW-TV, New York City; WTTG, Washington, D.C.; KMBC-TV, Kansas City; WTVH, Peoria, Ill.; WTVB, Decatur, Ill.; and KTTV, Los Angeles—in radio—with WNEW-AM-FM, New York City; WIP-AM-FM, Philadelphia; WHK-AM-FM, Cleveland; KMBC-AM-FM, Kansas City; KILAC, Los Angeles; and, subject to FCC approval, WCBM, Baltimore—in representation—with Metro Broadcast Sales—in outdoor—with Foster and Kleiser—in show business—with Ice Capades, Inc.

Where next, John Kluge, Pulse Man of the Year 1963, who by reason of a rare talent, an immense capacity and what someone has



called practically unlimited vision is helping to re-create an entire industry—balancing enlightened self-interest with the public interest.

WASHINGTON, D.C.,  
October 16, 1963.

Mr. MILTON EISENBERG,  
Office of Senator KENNETH KEATING,  
Senate Office Building,  
Washington, D.C.

DEAR MILTON: The enclosed is the complete citation of Dr. Sydney Roslow to John Kluge naming him "Pulse Man of the Year 1963." The ceremony takes place in New York today, Wednesday, October 16.

This is a major award in the broadcasting field and has been won by such other broadcasters as Robert Sarnoff, George Starr, and William Paley, etc. It would be a great compliment to Mr. Kluge, and I believe an appropriate gesture on the part of Senator KEATING if he were to insert this in the CONGRESSIONAL RECORD.

This could be done any time after today. Please let me know your reaction to this suggestion. Thank you for your many courtesies and for your help.

Warm regards.

Cordially,

FLORENCE LOWE.

#### SCHENECTADY ARMY DEPOT

Mr. KEATING. Mr. President, I am deeply disturbed by reports, which are not denied by the Army, that the Schenectady Army depot may be threatened with closure. For many years I have been disturbed over the status of the Army depot and the recurrent moves of the Defense Department to transfer functions away from this area. In February, I was informed that the Army was studying its supply distribution system and expected in about 6 months to have a final conclusion as to the status of the depot. At that time the Army promised to notify me of any possible changes.

Mr. President, although I have received no notification from the Army, I have received, in answer to a query of my own, an ambiguous and disturbing letter in which the Army indicated that its study is completed but still under review. This letter will rouse deep anxiety among all those connected with the depot.

Mr. President, in the fear that the Army might complete the review and present the members of the New York State congressional delegation with an already accomplished fact, I am urgently requesting that the steering committee meet to discuss the question and take appropriate action to insure that what the Army itself describes as "the unique geographic location" of the depot be fully recognized.

#### PATHWAYS TO PROGRESS AND PROSPERITY

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a copy of my remarks before the West Virginia AFL-CIO convention, held on October 25, 1963, at Charleston, W. Va.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

#### PATHWAYS TO PROGRESS AND PROSPERITY

(An address by Hon. ROBERT C. BYRD of West Virginia before the AFL-CIO Convention at Charleston, W. Va., October 25, 1963)

Queen Victoria's famed Prime Minister, Benjamin Disraeli, once said, "The secret of success is constancy of purpose." This is manifestly true of the AFL-CIO organization in West Virginia, which, through its constancy of purpose, continues to achieve social and material progress for the workers of the Mountain State.

No small measure of the success of the West Virginia AFL-CIO organization is due to Miles C. Stanley. His astute and energetic leadership has won for him not only the respect and admiration of the membership of this organization, but also that of persons in other walks of life. His leadership has forged the AFL-CIO as a sure and continuing force for progress and the improvement in living standards of workers.

The West Virginia story today is no longer that of a large segment of the population prostrated by grinding poverty. Rather, it is the drama of "operation recovery"—of a slow but heartening improvement in the State's economic health. We have only to look at the record to fully appreciate the economic progress which is taking place in our State.

In 1962, the average income per person in West Virginia rose to a record high of \$1,810—or \$136 more than in 1960. Parenthetically, workers' income in Charleston averaged \$6,480 a year in 1962—or fourth highest among all cities in the United States, and 28.8 percent above the national average.

Retail sales are expected to exceed \$1.9 billion by the end of this year, as compared with \$1.8 billion last year.

During the 2-year period from January 1, 1961, through December 31, 1962, a total of 63 new plants was started in West Virginia, and 53 existing companies undertook major expansions. This industrial activity brought 14,429 new jobs to our State, with a new payroll of almost \$59 million. Furthermore, business outlays for capital investments during those 2 years totaled \$428 million.

Last year, more than 8 million tourists visited West Virginia, enriching the State by expenditures of around \$325 million. This year—the year of our centennial—forecasts indicate that the stream of tourists will break all previous records, with expenditures reaching close to \$400 million.

All of this progress may not appear to be spectacular, and no claim is being made that it is. But the progress that has been made is indeed heartening.

However, as I review the total picture of recent American economic trends, I am concerned about the future. We have much unused plant capacity in the country as a whole. Our private investments in plants and equipment are lagging. We also seem to be unable to bring unemployment down to an acceptable level.

During the past 6 years unused plant capacity has averaged 8 percentage points higher than the average of the preceding decade. Private investments in plants and equipment have fallen in recent years to 9 percent of the total output as compared to 10-12 percent in the first postwar decade. And during no year since 1957 has the average annual rate of unemployment fallen below 5½ percent.

Particularly disturbing are the recent trends in the labor market and the grim prospects for the years ahead. During the mid-sixties we expect that about 2½ million young people will be entering the labor market each year—some 40 percent more

than in the mid-fifties. We also anticipate that because of advances in technology and productivity as many as 2 million workers will be displaced each year.

Thus, allowing for reductions in the labor force due to retirement, death, and other causes, it will be necessary to provide, during the next 3 years, about 3 million new jobs annually to keep the unemployment rate from rising above the current 5½-percent rate. If we are to bring the unemployment rate down to a minimum desirable goal of 4 percent, we will have to create 1 million new jobs annually.

We are faced with no easy task. To achieve the goal of 4-percent unemployment, the economy will have to grow by \$15 to \$25 billion more each year than it is now doing.

There are two aspects of this problem to which we must address ourselves with all possible speed if we are to take quick and forthright action against a possible extension of human misery in this country:

The first of these is the need to undertake private and governmental programs to increase both consumer demand and the incentive to invest.

The second of these is the need to make a candid appraisal of unemployment caused by automation, especially as it affects our older workers.

One program now before the Congress, which could increase consumer demand and the incentive to invest, is the proposed cut in taxes. Let me say at the outset that I regard the tax bill as one of the most important economic measures now before the Congress, and one on which action should be taken this year. If action on this bill is delayed until next year, the tax cuts should be made retroactive to January 1, 1964.

There are differences of opinion as to how potent a device the tax bill may be for stimulating consumer demand and the incentive to invest. But one thing is certain: Without a tax cut we will fall more and more behind our goal of accelerating the rate of economic growth while increasing the vulnerability of the economy to the ravages of the business cycle.

Business economists, as well as Government economists, have been pointing out that there is increasing danger of the occurrence of a business recession next year. We have not abolished those periodic fluctuations from business expansion to contraction associated with the phenomena known as business cycles. These periodic fluctuations have plagued the history of advanced industrial nations since the beginning of the 19th century. We have learned how to moderate business contractions. But they can still do plenty of damage to the volume of unemployment, the size of our budgetary deficits, and to our international financial position.

It is pointed out that the present business recovery, which began in March 1961, was 31 months old in September—already reaching the average duration of expansion in this country during the past 100 years. Thus, on the basis of age alone, the current business recovery may peak out early next year.

Even if we were not concerned about the problem of accelerating our rate of economic growth, we would be wise to anticipate and reckon with the increasing likelihood of a business recession, by passing the tax bill at the time when it would do the most good. Unfortunately, too often in the past, Government efforts have been self-defeating because of the poor timing in the use of Government tools for stabilization. It is in the interest of both economic growth and stability that we recognize the urgency of enactment of the tax bill.

If the Senate adopts the bill as passed by the House of Representatives, it will provide for a total tax reduction of \$11 billion a year.

Virtually every taxpayer and every business in the United States will receive some reduction in taxes. The cuts will take effect in two stages—the first in 1964 and the second in 1965. Two-thirds of the \$8.7 billion reduction in taxes for individuals, and more than half of the \$2.3 billion reduction in corporate taxes, would go into effect on January 1, 1964; the remaining reductions would occur on January 1, 1965. Individual tax rates would fall from the present range of 20 to 91 percent to a range of 14 to 70 percent. According to the Treasury, the average cut for individuals would be about 20 percent.

I believe that the bill will receive the support of all who prefer to face up realistically to the economic problems of our time. We may all have our reservations about different parts of the bill. But when these doubts are weighed against the overriding consideration that the tax bill as a whole is likely to have a strong and invigorating impact upon every sector of the economy, and upon every single taxpayer, hesitation must yield to wholehearted and active support.

Now, as to the need for taking a candid look at unemployment caused by automation, especially as it affects our older workers, we can see that today skilled persons are often being replaced by workers with greater skills—workers especially trained for automated equipment, who are often younger persons with quicker reflexes than older workers.

Thus, today, when a man is automated out of his job, he can seek retraining if he is not too old, or he can take an unskilled job at lower pay—if one can be found—or he can spend endless days in a never-ending search for a job for which he may think he is qualified, but which is nonexistent.

Of late, too, we have been hearing more and more about the fact that many technologically unemployed older workers do not have sufficient education for retraining for new skills. This factor, added to the realization that employment opportunities are more readily available to younger, more energetic workers, must bring us face to face with the knowledge that older workers need more of our regard today than ever before.

It seems to me that a positive approach to the special problem facing our senior citizens would be to lower the social security age limit to 60, or even, perhaps, to 55, and at the same time permit a greater degree of part-time employment on the part of retired persons who are on social security.

Releasing employees from full-time work at a lower age limit would, in effect, permit the continuation of automation without a concomitant increase in unemployment. Moreover, there could be a retention of consumer demand on the part of such retirees if social security payments could be supplemented by a greater degree of part-time employment than is now permitted under the Social Security Act, as amended. This is a social goal which certainly deserves a good hard look.

If the technological revolution which is exploding all around us is to be a human revolution in the best tradition of human progress, then we must be bold and imaginative and resourceful. If we have no fear of exploring the ocean depths, or the endless space of the universe, then we should not hesitate for one moment to devise or perfect the economic and social means by which we may provide ourselves and our posterity with a richer, more secure existence.

#### PROPAGANDA EDITORIAL SERVICE

Mr. METCALF. Mr. President, on October 7, 1963, the Industrial News Review, an editorial service of E. Hofer & Sons, 1405 SW Harbor Drive, Portland, Oreg., distributed an editorial entitled

"Bureaucratic Domination." The editorial misrepresents Knowles Dam and comes to the remarkable conclusion that, thanks to the existing utilities, there is no danger of a power shortage in Montana, a conclusion that the president of the Montana Power Co. himself negated at the House hearings.

Perhaps that conclusion is not so remarkable, considering the nature of Industrial News Review. It has been around for decades, collecting money from private utilities and other big businesses and sending out editorials which reflect the most extreme views, to thousands of newspapers. Some of these newspapers reprint these editorials and credit them to the Industrial News Review. Some newspapers' editors reprint them as their very own original comments.

Some Members of this body are well aware of the kind of "service" which Industrial News Review provides its industrial clients, and the disservice it provides unsuspecting readers of its editorials. The distinguished Senator from Alaska [Mr. GRUENING] treated this subject in "The Public Pays," written more than 30 years ago, and which I am delighted to report, will soon be republished. Industrial News Review was also the subject of recent comments by the Northwest Public Power Association.

Mr. President, I ask unanimous consent to insert in the RECORD, immediately following these remarks, the Industrial News Review editorial to which I have referred, and the Northwest Public Power Association article about INR, entitled "Who Plants the Grass in the Grassroots Papers?"

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

#### WHO PLANTS THE GRASS IN THE GRASSROOTS PAPERS?

(Most newspaper readers are aware that the Nation's railroad industry has spent millions of dollars in paid newspaper advertising to promote its deceptive campaign against "featherbedding." Less well known is the fact that the railroad industry is also behind many of the "featherbedding" editorials now appearing in newspapers from coast to coast. Last week, the Northwest Public Power Association, a nonprofit organization with offices at Vancouver, Wash., published a documented report on one of the propaganda mills that turns out slanted editorials, not only about "featherbedding," but also on other subjects dear to the heart of big business and big utilities. Here in part is the report, reprinted with permission of Gus Norwood, executive secretary, Pacific Northwest Public Power Association.)

Do you read the Industrial News Review? No, never heard of it? About all you read is your own little local daily? Because you know the editor and figure he gives an honest opinion on things that relate to your community?

Nevertheless, the chances are good that you do sometimes read the Industrial News Review, you and several million other subscribers to small hometown papers, even though you have never seen a copy of it.

#### THE HIDDEN PERSUADER

This strangely influential little paper is a 5-page lithographed sheet sent every week, free of charge, to the editors of all—more than 11,000—rural and community papers in the United States, by a Portland outfit.

You, as a newspaper reader are exposed to the ideas of this onesided little publication because smalltown editors, trying to do the work of three or four men, often simply reprint the editorials so obligingly offered to them.

E. Hofer & Sons, publishers of this news sheet, have been the subject of isolated investigations off and on for years. INR was part of the public utility hearings before the Federal Trade Commission as early as 1928. It was written up at Harvard University in a Nieman Fellows report in 1948. This spring it was the subject of a term paper done in a course in propaganda analysis at Washington State College. The material uncovered in these investigations provides the answers to several interesting questions.

What is the service offered to overworked editors? Canned editorials that can be quickly set in type when the pressure of other work has kept the editor too busy to get at the editorial page before press time. Canned editorials are unsolicited editorial material sent to the editors, who are encouraged to use them as they see fit, either giving credit to the original source or printing the editorial without credit, as though the opinions expressed were those of the editor himself.

Who publishes the Industrial News Review? E. Hofer and Sons, 1405 Southwest Harbor Drive, Portland, Oreg. Started in 1913, it was expanded in 1923 to nationwide coverage. Samuel Insull, acting for the various electric utility committees with which he was connected, announced that arrangements had been made so that the service would cover the whole United States and that the expense had been underwritten by large manufacturing and holding companies.

Still subsidized by the big companies whose interests it promotes, E. Hofer is still a family enterprise. Since the death of its founder, Ernest Hofer, in 1934, the company has been continued by his sons, Robert M. and Laurence F. Hofer. Three grandsons are junior partners, the eldest, Robert D., serving as managing editor at the present time. In addition to the five members of the Hofer family, the firm employs a staff of from 7 to 10 people.

Where does the money come from? From those big companies who want INR to write and distribute editorials slanted toward their own benefit. "Industry, business and professions, including public utilities, retailers, railroads, mines, manufacturers, food processors, petroleum, financial institutions and others who believe that community prosperity and growth, sound government and reasonable taxation, must accompany individual and corporate prosperity," provide the financial support, according to the statement which appears on the masthead of each issue.

Federal Trade Commission investigations in 1928 indicated that, at that time, New York Edison Co., New York; United Gas Improvement Co., Philadelphia; People's Gas Light and Coke Co., Chicago; and Northwestern Light and Power Association, Portland, as well as more than 80 other utilities, subscribed to its service to the extent of \$84,000, a year, about half of the total contributions made to the organization. Hofer and Sons themselves consider the exact names on the subscribers' list as "confidential."

However, it is known that in 1956 and 1957, Portland General Electric and Pacific Power and Light Co. both contributed \$1,300 for each year.

Who receives these readymade editorials? They are sent every week to more than 11,000 rural newspapers. Hofer considers rural newspapers to be all those published in communities of less than 50,000 population as listed in N. W. Ayer and Sons Newspaper Directory. The only exceptions are those



papers which have particularly asked to be taken off the mailing list.

#### INR'S EDITORIAL TOPICS

INR itself says that it comments on electric power, stockownership and securities exchanges, railroads, farm equipment, coal, retail distribution, petroleum, and ocean shipping. A detailed study of the issues of Industrial News Review between April 6 and May 18, 1959, showed the following distribution of editorial material:

Private versus public power—14 editorials. (INR never misses a chance to criticize public utilities.)

Inflation and cost of living—13. (It's too high.)

Railroads—12. (These editorials were about equally divided in their opposition to the practice INR refers to as "featherbedding" and the so-called unfair competition the Government parcel post service offers to the Railway Express Co.)

Labor and unions—10. (Most of these editorials were in support of the McClellan-Barden bill.)

Oil—10. (These were primarily in defense of the depletion allowance given to oil producers.)

Taxes—10. (INR believes taxes are too high and that the graduated income tax is often inequitable.)

Private enterprise in general—7. (INR pushes private enterprise at every opportunity. (A reader might easily decide that if the schools and the post office were not so well established, INR would label public education and public mail service socialistic.)

Ocean shipping—5. (INR pounds away at the necessity for continuing large subsidies to shipbuilders.)

Farm problems—5. (INR hammers away at the idea that farmers should have a higher income and that wages of workers be kept down.)

Airlines—3. (INR is opposed to Government regulation of airlines.)

Stock market—3. (INR claims that any fall in stock prices can be traced fairly directly to the iniquities of the capital gains tax.)

Freedom of the press—3. (INR implies that a government which deals in public power, for instance, is likely to take over the newspapers at any minute.)

Bureaucracy in general—2. (All Government agencies, INR believes, are bumbling, inefficient, expensive.)

Unclassified—11. (These articles were usually in praise of noncontroversial subjects, such as the Bible, the FBI, and local school boards, or against such things as communism, delinquency and crime.)

INR's habit of putting itself on the side of the angels serves to dispel the editors' uneasiness about INR's purposes in general. It therefore is made easy for INR to equate high corporation taxes or Government regulations, which INR's supporters oppose for their own purposes, with socialism and delinquency, which everybody opposes.

What are INR's general policies? In the words that appear on the masthead of every issue, the editors of INR express their personal convictions in discussing "industrial and economic questions that affect business stability and social progress."

The Hofer editorials are skillfully and professionally written, and they never lose track of the points that they and their subscribers want made. They employ guilt by association, glittering generalities, namecalling, halftruths, distortion, and sometimes guilt by omission of pertinent facts.

The principles which the Hofers say embody their convictions are three. First, representative government cannot continue to exist in this country unless the individual

retains the privilege of making his living without regard to political considerations, and therefore the State must not become a mass employer of American citizens. Second, public ownership and government domination of industry must be continuously resisted, not because industry is sacred but because the future of individual freedom, the Hofers maintain, is inseparable from the future of private enterprise. Third, as long as representative government is the system desired by the American people, they must be constantly reminded of the part private industry and private employment play in maintaining that system.

How wide is its influence? Indirectly its influence is great indeed. As Hofer himself says, the increasing number of people in suburban areas who read a weekly as well as a large daily paper is giving the country press between 40 and 50 million readers.

What about freedom of the press? A free press means the honest reporting of news and opinion, free of pressure from any organized group. Whenever any group forces its views on the public, the public has the right to know who is behind such a push.

The Hofers frequently mention that their publications carry no advertising. They say that they do not promote or publicize companies or products—the only thing they try to sell is ideas.

In one sense this claim is accurate. The names of the companies who pay for the propaganda are seldom mentioned. Yet INR does something more for its subscribers than simply sell their products. It hammers away at the kind of legislation designed to put millions of dollars into its subscribers' coffers.

No one questions that freedom of the press gives E. Hofer & Sons, as well as any other organization or individual, the right to hold whatever opinions seem right to them and to write about those opinions from whatever point of view they choose.

#### READERS HAVE RIGHTS, TOO

But readers also have rights. Readers have a right to know who pays the bill on the propaganda they read. Readers may well ask, who plants the seed for this grass-roots field of opinion? Who pays for the fertilizer? And who, then, will gather the harvest?

#### BUREAUCRATIC DOMINATION

The Government's proposed Knowles Dam project in Montana is an example of the lengths to which electric power socialization groups are willing to go. It has been bitterly denounced by Indian tribal councils, and with good reason—for it would flagrantly violate a treaty made with the Indians more than 100 years ago.

It would flood a huge amount of land, Indian and non-Indian, including valuable and irreplaceable farm and grazing land. Damage to the State's economy would be heavy. It would also flood two hydroelectric sites, now operated by tribes, and a third possible site.

There is, so far as one can see, no popular demand for the project. The Government agencies concerned are in the position of trying to force it down the throats of Montanans, regardless of their wants and requirements.

The dam cannot be justified on the grounds of need. There's no power shortage in Montana and no danger of one. Existing utilities see to that.

The project represents bureaucratic domination that, if it is allowed to run its course, will ultimately destroy local rights and responsibilities on a gigantic scale, and trample roughshod over everything and everyone that may get in the way. Then no freedom will be secure.

#### CHIP ROBERT AND GEORGIA TECH'S 75TH ANNIVERSARY

Mr. TALMADGE. Mr. President, on the 75th anniversary of the Georgia Institute of Technology, one of its most beloved and outstanding alumni, Lawrence Wood "Chip" Robert, Jr., made an unallocated gift of \$75,000 to the institution.

"Chip" Robert has long been a warm friend of mine, and he is also the friend of many Members of the Senate. He is widely known as the brilliant president of one of the world's top-ranking architectural firms. In addition to his private business, "Chip" Robert has a long and distinguished career of public service.

Mr. President, there appeared in the October 22 issue of the Atlanta Journal an article by Robert McKee which briefly traces the career of "Chip" Robert, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### GREAT GIFT—MR. ROBERT: TECH'S BENEFACTOR (By Robert McKee)

A long and pleasant association was capped the other day when Lawrence Wood "Chip" Robert, Jr., made an unallocated gift of \$75,000 to Georgia Tech. Georgia Tech was 75 years old, so Mr. Robert reckoned on the basis of a thousand dollars a year.

It all began in August of 1903—before Mr. Robert was 16 years old. He was intent upon enrolling at Cornell University to take a civil engineering course, but short of high school credits, he entered the subfreshman class at Tech to prepare for enrollment at Cornell.

From the very start he liked Tech, so there he stayed for 6 years. He became a graduate in civil engineering and then took postgraduate work in experimental engineering in 1909. He won the admiration of the Tech faculty because he worked hard from morn to dusk.

His daily marks were so high the faculty did not require him to take an examination during his 6 years as a student at Tech. He was No. 1 in his class when he received his bachelor of science degree in engineering in June of 1908.

#### ATHLETE

Mr. Robert also wrote his name impressively on the athletic records of Georgia Tech. Because of his high scholastic standing, he was permitted to break the rule that decreed no student should participate in more than one branch of athletics.

He was on the school's baseball, football, track, and cross-country teams. He was captain of the cross-country team in 1907, and captained the baseball and football teams in 1908—the year of his graduation.

After leaving Tech, the young man from Monticello, Ga., decided to go into business on his own. He created his own firm, Robert & Co., now known all over the world as top-ranking architects, engineers and consultants.

He led the effort to organize the Georgia Tech National Alumni Association, and became its second president. He was elected as the first alumnus on the Georgia Tech board of trustees until it was supplanted by the State board of regents, then served two terms as a member of the regents.

#### A MEDAL

In 1934 he received a medal as Tech's outstanding alumnus. At that time he was in

Washington serving under President Roosevelt as Assistant Secretary of the Treasury. He became a member of the President's Cabinet Council, the PWA and the RFC.

In World War II, it was his task to handle the construction of important military installations. These cost more than \$2 billion, and were located in this country, South and Central America and the Pacific.

He is probably Georgia's most traveled citizen. Mr. Robert has been around the world 16 times. He had important posts in the Marshall plan in Europe and China and has been to Moscow five times since the end of the last war.

Through the years many honors have come to him, but none is more cherished than the knowledge that he was once a faculty member at the engineering school.

### REDUCTION OF U.S. MILITARY STRENGTH IN EUROPE

Mr. TALMADGE. Mr. President, there is increasing support for the withdrawal of much of the U.S. military troops and facilities from Europe. As I have stated in the past, this would be in the interest of our economy as well as an incentive to other NATO nations to share more of the cost of defending Western Europe.

Moreover, it has been shown that this can be done without jeopardizing the security of free Western European countries whose defense naturally is of prime concern to the United States. The fact that we can move great numbers of troops and equipment abroad very quickly was successfully demonstrated in the recent Operation Big Lift.

Mr. President, with reference to the balance-of-payments deficit, I have long contended that this critical problem could be greatly alleviated by taking positive steps in two directions.

First, our friends in the NATO Alliance should be given more responsibility and the attendant costs of defending their countries, thereby allowing the United States to cut back on its military establishment overseas.

Second, the balance-of-payments deficit could be lessened by a reduction in military and economic foreign aid, especially in areas where it has repeatedly been shown that such spending is wasteful and inefficient.

Mr. President, there appeared in the October 27 issue of the Atlanta Journal-Constitution an excellent column by Eugene Patterson, editor of the Constitution, who pointed out that a troop withdrawal is now possible and would go a long way toward alleviation of the balance-of-payments deficit.

I ask unanimous consent that this column be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

[From the Atlanta Journal-Constitution, Oct. 27, 1963]

#### A TROOP WITHDRAWAL IS POSSIBILITY NOW (By Eugene Patterson)

When Senator RICHARD B. RUSSELL mildly asked the other day why the United States couldn't reduce its troop strength in Europe, his was no random inquiry from an uninformed observer.

The possibility of U.S. troop withdrawals from Germany became distinct last week

when the Army demonstrated its ability to airlift a full division from Texas to Europe in 3 days.

Behind Senator RUSSELL's question lay months of military study and years of political and diplomatic anticipation. Former President Dwight Eisenhower has now come out flatly, in the current Saturday Evening Post, and said it:

"Though for 8 years in the White House I believed and announced to my associates that a reduction of American strength in Europe should be initiated as soon as European economies were restored, the matter was then too delicate a political question to raise.

#### "THE TIME

"I believe the time has now come when we should start withdrawing some of those troops. . . . One American division in Europe can 'show the flag' as definitely as can several."

To reduce the quarter-million-man army in Europe to one division would be a severe cut indeed. But some reduction does appear to be in the works.

And this will jar Americans who have come to believe what they have long been told: That a U.S. troop pullout, tending to disengage us in Europe, would invite a Russian walk in.

For a long time that was demonstrably true. Disengagement simply meant pulling the Red Army behind the Elbe, but it meant pulling the U.S. Army across the Atlantic. Some new factors have arisen in the 12 years since the United States committed six divisions to NATO in Germany, however.

Largely through production of Lockheed transport planes at Marietta, Ga., currently increasing, the U.S. Army has become airborne. As last week's airlift of a division showed, troops can hop the Atlantic and fight within a week now. A few years ago the Nation did not have this airlift.

#### ECONOMIES RESTORED

Moreover, the European economies have been restored while U.S. troops guarded their soil. Now NATO nations like France and Germany can afford their own defense. Yet some of them, notably France, have declined to bother much with supporting NATO and have left the spending to Uncle Sam.

Presence of the large U.S. Army in Europe is now tending to discourage, not spur, the development of military strength by the Europeans themselves.

And finally, cost of the huge military establishment overseas is contributing to disturbing U.S. deficits in the balance of payments.

Thus the arguments are building for troop withdrawals from Germany, demonstrating that a policy which contributes to strength in one decade can begin to show a reverse effect in the next.

#### A TV EDITORIAL FROM AMARILLO BY TOM MARTIN

Mr. YARBOROUGH. Mr. President, as chairman of the Freedom of Communications Subcommittee, I receive considerable mail from television stations discussing the work they do. Recently I received a copy of an editorial broadcast October 18, 1963, by Tom Martin, a distinguished award-winning Texas journalist. The editorial was broadcast over KFDD-TV in Amarillo.

Mr. Martin's editorial will be of considerable interest to my colleagues. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### A TV EDITORIAL FROM AMARILLO

Ever since we can remember, we have been told that the world contains seven wonders in all, but the trouble with this formula is that every time you begin to accept it at face value—up pops another wonder.

The latest wonder, of all places, pops up in Borger, our bustling neighbor to the north, which rightfully prides itself on being a clean, friendly community with a colorful past and a bright future.

We had the opportunity to speak to a group of friendly people in Borger this week and we inquired about a phenomenon we could not believe actually existed—but there it was and so here we are to tell about it.

If the firsthand intelligence we got can be believed—and we think it can be—something called the Borger Dental Association—which we presume, is something like a dentists' union there—the Borger Dental Association has declared war against socialism.

So far so good and that's a nice, direct stand to take. But there are wars and weapons to fight them with—and we were curious to find out what weapons the dental fraternity chose—and find out we did. It's called censorship by some, selective reading by others. But what it all boils down to is the fact that if you live in Borger you have one concrete advantage over the rest of us—namely—you don't have to do your own thinking. Some of the dentists will do it for you.

It seems that some members—or all of them—of the Borger Dental Association decided some time back that the country was heading down the rocky path toward socialism and communism—and that this was due at least partly to the scurrilous material on hand in the dentists' waiting rooms.

Being the direct types they are, the dentists took action. They voted to exclude all that socialist propaganda from their waiting rooms—and to stock their magazine racks and coffee tables with only the finest extreme rightwing journals.

In a trice, it appears, all that dangerous material vanished. Out went Life and Look and Time and Newsweek—and, presumably Field and Stream, Mechanics Illustrated, Vogue, Charm, True Confessions, Modern Screen and TV Guide.

With these contaminating influences gone, the party line press took over, and today the dentists' offices have on hand such delightful and refreshing literary jewels as Dan Smoot's Report, Life Lines, Clarence Manion's Forum and Robert Welch's "American Opinion." All this, of course, is true blue Americanism, patriotic reading at its best—and if you don't feel your American blood tingle with pride while you're waiting for that nagging molar to come out—well, you won't be able to blame the dentists for it.

Having purified the air in Borger, we hear now the dentists are set to launch their crusade into other areas. They calculate that there are hundreds of other waiting rooms—doctors, lawyers, insurance offices and the like—just waiting to be uncontaminated. And that's enough—you'll pardon the expression—to set the saliva flowing for any square-jawed crusader.

Well, who is to say what—if anything—dentists should or shouldn't have as reading material in their waiting rooms. The service stations are stocked with touring guides and road maps. The washeterias abound with Christian Science literature. Any doctor worth his salt has—for curiosity value if nothing else—at least one copy of the American Medical Journal on his office table. And TV stations include listings of their fall schedules. So it's all part of the game.



But we're curious about a couple of things—and maybe one of the dentists would be good enough to write and let us know about them.

First, we note that the Bible isn't on the so-called approved reading list and we hereby petition the dentist to relent at least to this extent and allow an occasional good book to be placed. For further information call the Gideons.

Second, what happened to the spare copies from the leftover subscriptions to Life, Look, and Mechanics Illustrated? Do the dentists read them at home—or do they just chuck them?

Third—what happens when a patient might occasionally be silly enough to read some of those subservices magazines like TV Guide? Do you just let him—again, pardon the expression—do you just let him grit his teeth and suffer?

We'd be grateful for some word on all this—and in return, we have a suggestion to offer on what to do with all those discarded magazines and papers if they're piling up in the living rooms. Why not get them all together in one big stack and have a good old fashioned book burning—the kind they used to have in Germany.

And for now—that's 30.

#### UNITARIAN UNIVERSALIST ASSOCIATION SUPPORTS CIVIL RIGHTS BILL

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a resolution adopted by the board of trustees of the Unitarian Universalist Association on October 14, 1963, be printed in the RECORD at the conclusion of my remarks. Last Thursday, I called the attention of the Senate to six statements made by as many leading religious organizations and church bodies. Today I call attention to another in the growing chorus of voices from church leaders calling for the passage of civil rights legislation.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

#### RESOLUTION ADOPTED BY THE BOARD OF TRUSTEES OF UNITARIAN UNIVERSALIST ASSOCIATION ON OCTOBER 14, 1963

The Board of Trustees of the Unitarian Universalist Association, recognizing the seriousness of the deep racial crisis which has gripped the United States in recent months and weeks, and reaffirming the traditional concern of Unitarians and Universalists for the supreme worth of every human personality, the dignity of man, and the use of the democratic method in human relationships, respectfully urges that the Congress of the United States enact meaningful, comprehensive civil rights legislation to redress the legitimate grievances of the Negroes and members of other minority groups.

To this end, we endorse the substance and intent of H.R. 7152 and S. 1731 to strengthen voting rights, make discrimination in public accommodations unlawful, speed public school desegregation, establish a community relations service to mediate racial disputes, extend the life of the U.S. Commission on Civil Rights for 4 years and give it added responsibilities, authorize withholding of Federal funds from programs that are administered in discriminatory fashion; and establish as a permanent Commission the President's Committee on Equal Employment Opportunity.

We urge especially that the Congress erase the humiliation which accompanies the members of minority groups when they are refused accommodation or service in hotels,

motels, restaurants, business establishments or places of amusement, and that a public accommodations law cover all establishments, of whatever size.

In addition, we urge that amendments be made to the bill to add a permanent Fair Employment Practices Commission to cover hiring, firing, and promotion in all types of employment and membership in labor organizations engaged in interstate commerce. And, further, that the bill be amended to give the U.S. Attorney General power to bring civil suits in all cases where Americans are denied their constitutional rights because of race or religion.

The civil rights program before the Congress represents minimal objectives at this critical point in our Nation's history. One hundred years after the Emancipation Proclamation, the American Negro finds that in education, in employment, in housing, in the exercise of his rights of citizenship, he is still a second-class citizen. The Congress should therefore act this year to bring to fulfillment the promise of the Emancipation Proclamation.

#### CIVIL RIGHTS

Mr. HART. Mr. President, it is easy to oversimplify issues and the positions men take on them. Labels are too easily applied, stereotypes too readily accepted.

Take the troubled field of civil rights, for example. Ask the average citizen how the sides line up and the odds are strong that he will say that northern Senators are for it, southern Senators against.

This is an oversimplification, Mr. President, as I intend to show.

Because two Senators from one of the most southerly of States have announced their readiness—yes, even eagerness—to vote “yes” on the entire administration's civil rights package.

On this issue—and others—these men speak clearly and with reason although I confess it is doubtful if they will swing many of their southern colleagues behind them.

These two men—I will not keep this body in suspense any longer—are Senators HIRAM FONG and DANIEL INOUE. There is no State further south than theirs.

The able Senator INOUE has told me he intends to vote for the strongest civil rights bill possible. And the position of the respected senior Senator from Hawaii—whose eloquent voice is often heard championing the common man—was recently presented in a delightful broadcast by NBC's “Monitor.”

I ask unanimous consent that the text of that report be printed in the RECORD at this point in my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

#### CIVIL RIGHTS

The State of Hawaii is an almost unbelievable amalgamation of races. As examples: one of its Senators—HIRAM FONG—is of Chinese ancestry; the other—DANIEL INOUE—is of Japanese descent. It has two Representatives in the House—SPARKEY MATSUNAGA, Japanese background; and TOM GILL, who is what the Hawaiians call a “haole”—or white man. The Governor of Hawaii is an Irishman, Jack Burns; the Mayor of Honolulu is named Blaisdell and is a blend of several races.

During the years Hawaii fought for statehood, southern Members of Congress pro-

vided the principal opposition; they mistrusted the free and easy way in which the races mixed, in Hawaii. So when FONG came to the Senate, he mentioned the fact that Hawaii is the southernmost of all the States—that Kalae Point, on the big island of Hawaii, is farther south even than Key West, Fla. By comparison, Mississippi is Yankee country.

FONG himself can perhaps best be described as a middleground Republican—but his colleagues began bugging him about his Deep South background—wanted to know when he would take his place with the other Southern Senators in their fight to block civil rights legislation (which FONG naturally supports with all his might and main).

Anyhow, before the civil rights march on Washington, leaders of the National Association for the Advancement of Colored People gathered at the Capitol, FONG made a speech. From his obviously Hawaiian face, came these words: “Y'all know Ah'm a southern Senator, and you no doubt wonder where Ah stand on this question of civil rights.”

He got an ovation to end all ovations.

#### CONRAD WIRTH

Mr. BYRD of Virginia. Mr. President, I learned recently, with deep regret, that Conrad L. Wirth expects shortly to retire from his position as Director of the National Park Service in the U.S. Department of the Interior.

Conrad Wirth is my friend. In fact, I think he is a great and good friend of every man, woman, and child in this country; and I think each of these millions of people who have visited our national parks will realize the truth in this statement.

I suspect there is no other single man in the United States who has done so much for the healthful recreation and pleasure of so many people, along with promoting conservation of our natural resources and preservation of our historic areas.

I intend to speak at greater length at a later date on the great work and fine contributions of Mr. Wirth, as Director of the Park Service; but today I simply want to note a few facts, and make three insertions in the CONGRESSIONAL RECORD.

The National Park Service was founded under an act of Congress passed in 1916. The Service is now 47 years old. Connie Wirth came into the Service in 1931. He became its Director in 1951. No one is more efficient in his life's work or more dedicated to it.

Mr. Wirth has been with the Park Service in all but 15 years since its establishment. And now our national park system comprises more than 200 units, including 31 national parks. These units cover some 26 million acres of public areas.

Through these areas the Government is engaging in the highly constructive service of preserving and interpreting great scenic, scientific, and historic assets of our people, and upward of 100 million people are benefiting from them every year.

I have visited virtually all of the national parks, and I know that in them is to be found some of the most beautiful scenery in the world, and those who use the parks know that they afford

healthful recreation that cannot be surpassed.

It has been my privilege to work for the development of our national park system for some 30 years. My efforts and Connie Wirth's career with the Service are almost parallel. I regard the system as one of the most worthwhile of all Federal programs.

Most of the development has had the personal attention of Conrad Wirth. Before becoming Director of the Park Service 12 years ago he served under four former Directors: Horace M. Albright, Arno B. Cammerer, Newton B. Drury, and Arthur E. Demaray.

In more recent years Mr. Wirth has been engaged in the planning and execution of the nationally known "mission 66," which is probably the greatest program of its kind in the history of the country. I had hoped that Director Wirth would stay to see it through.

But he feels that he should retire. And certainly he has earned a rest. He has my greatest admiration, warmest personal regards, and very best wishes. And in this connection I ask unanimous consent to insert two letters and a newspaper editorial in the RECORD as part of these remarks.

I think the letters should be a part of the public record, and I should like to preserve the editorial for history. The first letter is from Mr. Wirth to the Honorable Stewart L. Udall, Secretary of the Interior, dated October 18, 1963. Permission to publish it has been received from both parties. It follows:

U.S. DEPARTMENT OF THE INTERIOR,  
NATIONAL PARK SERVICE,  
Washington, D.C., October 18, 1963.

HON. STEWART L. UDALL,  
Secretary of the Interior,  
Washington, D.C.

DEAR MR. SECRETARY: As you know, I have been considering retirement since 1962. In February of this year, I submitted to you the names of five Park Service people that I felt were well qualified to fill the Associate Director position which had been vacant since Mr. Scoyen's retirement. Mr. Hartzog was selected from this list, and appointed. At that time, I indicated that I intended to retire in about a year, and gave you my reasons. While neither you nor Mr. Carver agreed that I should consider retirement, you indicated that you would respect my wishes. My reasoning has not changed since then.

You and the President have committed yourselves to further the development of a strong career service. Well-trained employees with an opportunity for advancement is basic to a strong career service. It is good government; it is good business. The National Park Service is a career service and, in my opinion, a very good one. It is a vigorous, capable, aggressive, and loyal organization, dedicated to serving the public in accordance with the objectives enacted into law by the Congress and the policies established by the administration and the Secretary of the Interior. These are traits that were built into it by its first Directors, Stephen T. Mather and Horace M. Albright, and maintained down through the years by the Directors who have followed them—Arno B. Cammerer, Newton B. Drury, and Arthur E. Demaray.

From my observations in over 35 years of Government service, I believe that if the integrity of career service is to be maintained and strengthened, three basic principles should be recognized:

1. Opportunity for advancement: There should be a general rule that key personnel

subject to day-to-day pressures should retire in the early 60's, and younger, well-trained individuals advanced into the administrative and policymaking positions. This will result in quicker reactions to changes caused by our fast-growing national economy and the resulting increased needs of our people.

2. Use of knowledge and experience: There should be established within the framework of the civil service regulations a method for the retention of a reasonable number of senior employees as advisers, who would not be subject to day-to-day routine and pressures. This would bring better balance and stability into the organization. Today private business is picking up many of these well-trained Government employees on that basis.

3. Elimination of incentive distractions: The schedule C classification should be abolished insofar as it is applied to the operating and technical career bureaus. I don't know of anything that has discouraged career employees more than the establishment of schedule C.

There is little that I can do about items 2 and 3, but knowing your strong feelings with reference to a better career service I could not help but express my thoughts. I can do something about item 1. Therefore, I respectfully request your approval of my retirement, to be effective after the close of business on January 11, 1964.

I shall always be proud and grateful for the opportunity afforded me by Directors Albright and Cammerer, and Secretary of the Interior Harold L. Ickes, to play an important role in the CCC program in the thirties, working with many bureaus of the Department and the leaders in the State park field; and to Secretaries McKay, Seaton, and you for supporting the Mission 66 program during my tour of duty as the sixth Director of the National Park Service. Of course, I have a warm spot in my heart for Secretary Oscar L. Chapman, for it was he who gave me my promotion to Director of the National Park Service on December 9, 1951. I sincerely hope that I have lived up to his expectations. And you, Secretary Udall, have sparked and brought into focus the building of a national park system worthy of the American people. Certainly there is much yet to be done but the fact remains that the surge forward is underway, due largely to your efforts and leadership.

I believe we often forget the important contributions by our lawmakers, the elected representatives of the people, to the park and recreation programs. I have appeared before the committees of Congress for over 30 years and I have nothing but admiration, respect, and sincere appreciation for their helpful and thoughtful consideration of our requests and reports. I number many of them among my very best friends.

There are also the conservationists, individuals, and associations, as well as various civic minded people, many of whom have been of tremendous help to the Service and to me personally, for which I am most grateful.

And last, but most important next to Mrs. Wirth who has shared my ups and downs and is my greatest critic and by far my strongest supporter, are the employees of the National Park Service. I have known all of the five previous Directors of the National Park Service, and worked on the staff of four of them. They taught me much and helped me greatly, and they know my deep appreciation. But, I also know that they would understand and agree when I say that I owe the greatest debt of gratitude to the many loyal and devoted associates of mine in the National Park Service. Many of them have retired since I joined the Service in 1931, and those that are still in the Service I grew up with. No bureau chief could ever have had a more devoted, hard-

working, and loyal organization than the people that make up the National Park Service. I shall never be able to adequately express to them my heartfelt appreciation. I commend them to you, and to the new Director.

Sincerely yours,

CONRAD L. WIRTH,  
Director.

The second letter is from Secretary Udall to former Park Service Director Horace Albright dated October 22, 1963. It is offered for publication with the Secretary's permission. It follows:

OCTOBER 22, 1963.

MR. HORACE ALBRIGHT,  
Los Angeles, Calif.

DEAR HORACE: Needless to say, I share your concern over the items which appeared in the press which implied that Director Connie Wirth's retirement was a result of some policy crisis or personality conflict within my Department. Nothing could be more untrue—or more unfair to Connie.

You know the high esteem that I have for him and I attempted to convey this at the Yosemite conference when I stated that his contribution has given him a place "on the highest honor roll of those in this century who have done the most to preserve a rich outdoor legacy for the American people."

In order that you will have the true facts concerning the leadership transition in the National Park Service I want to recite them again:

(1) At the time Associate Director Elvind Scoyen retired in early 1962 it was my feeling, and I expressed it to Director Wirth, that he should be replaced with a career man who would be selected and groomed to become the next Director;

(2) Connie concurred, and late last year he submitted to me a list containing the names of five career Park Service employees whom he recommended for consideration for appointment as Associate Director;

(3) After much discussion and evaluation we decided to ask George Hartzog—who was then employed by downtown St. Louis—to come to Washington for a special interview, and at that time we persuaded him to return to the Park Service and accept the Associate Director's position;

(4) Later, in February or March Connie indicated that he intended to retire about January 1, 1964, and stated that he would like to announce his retirement at the Biennial Conference of Superintendents at Yosemite in October. At that time I agreed to attend this conference and we also decided to make a final decision during the intervening period on his successor and to announce his appointment simultaneously.

As you observed at Yosemite, the arrangements we made were carried out and it gave me the highest pride and satisfaction to note the deep affection and loyalty felt for Connie by his associates in the Park Service, and the warm and enthusiastic reception given to the announcement of the Hartzog appointment.

The public should know the facts I have outlined here and I am confident that you and other friends of Director Wirth and of the Park Service will help to see that the truth is disseminated and any misapprehensions are dispelled.

Sincerely,

STEWART L. UDALL,  
Secretary of the Interior.

The editorial appeared in the Washington Evening Star of October 22, 1963, under the title "Mr. Park Service." It follows:

MR. PARK SERVICE

We have sometimes been critical, even strongly critical, of the stiffnecked attitude



of the National Park Service. When it stands like Horatius at the bridge, blocking some project vital to the emerging new Washington, patience runs low.

On the other hand, if it had not been for the National Park Service, Washington might well have lost, or perhaps never have acquired, what amounts to one of the finest park systems in the world.

Since 1951, Conrad L. Wirth has been Mr. Park Service to us.

Connie Wirth's retirement as Park Service Director was announced last Friday, 4 days after Assistant Secretary of the Interior Carver made a speech to park superintendents that was highly critical of the organization's attitudes and contained the implication that the Interior Department high command had lost patience with Mr. Wirth.

Among other things, Mr. Carver charged the Service with resorting to a semireligious mystique to thwart Interior Department policies. He said it fostered a public-be-damned attitude and was not cooperating with the Department's new Bureau of Outdoor Recreation.

Mr. Wirth denies that his retirement was hastened by his superiors. And Interior Secretary Udall, since Mr. Carver's speech, has taken pains to praise Mr. Wirth's record and to disavow to Mr. Wirth's subordinates Mr. Carver's implied slap. It is now clear that George B. Hartzog, who is to succeed Mr. Wirth as Director, was one of five men recommended for the post by Mr. Wirth. His selection does not presage an about-face in national park policy.

We are glad that this is the case. For to sacrifice to expediency or popular demands of the moment the basic policy of conserving natural America for generations yet unborn could have tragic consequences.

The men who fathered the park movement were zealots. They were missionaries. Without these qualities the movement never would have got off the ground. The men who continue their work must have the same basic zeal.

While we intend to continue to argue the merits of specific decisions on the use of park land, we do not believe that a "soft" policy concerning such use should be adopted. We congratulate Connie Wirth on 32 years of dedicated service to the Nation and especially to its Capital. If his successor does as well, we will all have been very ably served.

#### ASSISTANCE TO THE AGED PROGRAM

Mr. McNAMARA. Mr. President, the Subcommittee on Health of the Elderly, of the Senate Special Committee on Aging, today issued a report evaluating 3 years operation of the Kerr-Mills medical-assistance-to-the-aged program.

This carefully documented report contains a great deal of information that I believe will be most helpful to the Congress and to the growing numbers of private citizens who are deeply concerned with the important problem of assuring economic access to adequate medical care on a decent, self-respecting basis to the 18 million Americans who have passed their 65th birthday.

I commend this report to my colleagues, and I ask unanimous consent that the introduction and summary, which highlight its conclusions, be placed in the RECORD at the conclusion of my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

#### MEDICAL ASSISTANCE FOR THE AGED—THE KERR-MILLS PROGRAM, 1960-63

##### INTRODUCTION

After 3 years of operation, the Kerr-Mills medical assistance for the aged (MAA) program has proved to be at best an ineffective and piecemeal approach to the health problems of the Nation's 18 million older citizens.

Since the Kerr-Mills program of medical assistance for the aged took effect on October 1, 1960—3 years ago—the Special Committee on Aging, and its predecessor, the Subcommittee on Problems of the Aged and Aging of the Senate Labor and Public Welfare Committee, have closely observed its operation and have periodically issued reports evaluating the program.<sup>1</sup>

This report of the Health Subcommittee of the Special Committee on Aging is the third such evaluation of the Kerr-Mills program, and is based upon study and appraisal of all available information.

The findings of this report confirm the conclusions of earlier studies that the MAA program did not, and could not by itself, constitute an effective national solution to the pressing and pervasive problems connected with the financing of the hospital and related expenses of the Nation's senior citizens.

The findings set forth in "Performance of the States," the 1962 staff report of the Special Committee on Aging, have proved to be still valid. Additional findings and new data have been added.

In brief, we find that the Kerr-Mills program of medical assistance for the aged, still suffers from these major defects.

1. After 3 years it is still not a national program, and there is no reason to expect that it will become one in the foreseeable future. Although all 50 State legislatures have met since this program was enacted into law 3 years ago, only 28 States and 4 other jurisdictions now have the program in operation.

2. Stringent eligibility tests, lien-type recovery provisions, and responsible relative provisions have severely limited participation in those jurisdictions where the program is in operation. In July of 1963, only 148,000 people received MAA assistance—or less than 1 percent of the Nation's older citizens.

3. The duration, levels, and types of benefits vary widely from State to State. Except for those four States having comprehensive programs (Hawaii, Massachusetts, New York, and North Dakota) benefits are nominal, nonexistent, or inadequate.

4. Administrative costs of MAA programs remain too high in most jurisdictions. In Tennessee, for example, administrative costs totaled 59 percent, while in four other States they exceeded 25 percent of benefits.

5. The distribution of Federal matching funds under MAA has been grossly disproportionate, with a few wealthy States, best able to finance their phase of the program, getting a lion's share of the funds. Five States, California, New York, Massachusetts, Michigan, and Pennsylvania, for example, received 88 percent of all Federal MAA funds distributed from the start of the program through December 31, 1962, although those five States have only 32 percent of the Nation's elderly people. New York alone, with

10 percent of the Nation's elderly, received 42 percent of this total.

6. The congressional intent to extend assistance to a new type of medically indigent persons through MAA has been frustrated by the practice of several States in transferring nearly 100,000 persons already on other welfare programs, mainly OAA, to the Kerr-Mills program. The States have done this to take advantage of the higher matching grant provisions of Kerr-Mills, saving millions of dollars in State costs but diverting money meant for other purposes.

7. The welfare aspects of the Kerr-Mills MAA program, including cumbersome investigations of eligibility, plus the requirement in most States that resources of an older person must be depleted to a point of near-dependency, have further reduced participation.

##### SUMMARY

##### Intent of the Kerr-Mills MAA legislation

The Kerr-Mills Act has two facets—one representing a relatively minor improvement in the already existing program of aid for people on old-age assistance (OAA), and the other representing a major innovation.<sup>2</sup> The primary feature of Kerr-Mills was the establishment of a new category of public assistance—medical assistance for the aged. This program, popularly known as Kerr-Mills MAA, offered an opportunity for the States to secure substantial Federal grants applicable—on a matching basis—toward meeting the medical expenses of older citizens who had previously been ineligible for help—the "medically indigent" aged. The "medically indigent" aged are those persons who are not on the old-age assistance rolls, but who are unable to cope with the costs of health services.

It was the intent of the Congress that the MAA program would provide broad health services to the many aged needing them but unable to afford them even though the individuals were not on welfare.

Achievement of such a goal for MAA would require that (1) all States establish MAA programs, (2) the programs include a comprehensive range of medical services consistent with the needs created by the poorer health generally suffered by the aged, (3) the eligibility requirements be realistic in terms of the health expenses and financial resources of the aged, and (4) the assistance be made available without humiliating or degrading our older people.

The evidence available after 3 years of Kerr-Mills operation, demonstrates conclusively that the congressional intent has not and will not be realized, with respect to any of these four goals.

##### Limited use of the act

Many States have not implemented the MAA program. As of the end of August 1963, only 28 States and 4 other jurisdictions had MAA plans in operation. Indications are that by the end of 1964, from one-fifth to one-third of the States still will not have MAA plans in operation.

In those States which have established MAA plans, implementation is, in many instances, nominal, because of a lack of State funds to finance the type of program that is required. Many States which have established MAA plans still do not meet what they themselves say are the basic needs (not including health needs) of those of their citizens who are on relief.

<sup>2</sup> Since 1950 the Federal Government has assisted the States with funds to be used toward payments to suppliers of medical care for people on relief. The first part of the Kerr-Mills Act simply increased the amount of Federal funds available for that purpose under the program of old-age assistance.

<sup>1</sup> "Performance of the States, 18 Months of Experience With the Medical Assistance for the Aged (Kerr-Mills) Program," June 15, 1962. "State Action To Implement Medical Programs for the Aged," June 8, 1961.

Only 148,000 aged persons received any MAA help in August 1963—less than 1 percent of the Nation's elderly. And many thousands of these people had received care or were eligible for care under relief programs existing before enactment of Kerr-Mills.

Even according to the most conservative estimates, probably well over one-half of all applications approved for MAA through September 1962 were submitted in behalf of people previously receiving or eligible for medical aid under a public program other than Kerr-Mills.

As a result of the use of means tests for MAA which are almost as strict as those for OAA, the number of people who can receive help is severely limited.

#### *The means test*

"So that the county board of assistance can decide as fast as possible whether you are eligible for MAA, be ready when you apply to give them the facts on your age, residence, amount of income, and value of property. It may help if you bring papers that give this information. Also have with you the names and addresses of your husband or wife, your sons and daughters."<sup>1</sup>

MAA programs require an applicant to submit to a means test—an investigation of his income and assets. The means test is the basis of all relief programs. In most States, the highly restrictive nature of the tests, apart from any degrading qualities, exclude from help many of the aged who are desperately in need of assistance. There are at least 14 States in which the means test for MAA would serve to eliminate many of the aged people who qualify for other relief programs in those States.

Twelve States have "family responsibility" provisions which, in effect, also impose means tests upon the relatives of those who might be tempted to seek aid from the MAA program. These provisions not only are disruptive of familial relationships, but deter many proud people from seeking the care they need because they do not want to involve their families. "A number of elderly persons in Buffalo, when informed of this provision reportedly told the welfare commissioner, 'Please kill my application. . . . I don't want my son questioned.'"<sup>2</sup> The welfare commissioner of the city of New York has stated: "I believe that this requirement serves to bar uncounted, truly needy, older persons from seeking medical aid under this program."<sup>3</sup>

Nine States—including those with by far the largest number of people receiving help under Kerr-Mills MAA—have recovery provisions in their programs extending to the homes of people receiving help, and collectable after death. Since Americans of retirement age equate "free and clear" ownership of one's home with self-respect, the idea of a State taking a claim on that home is completely abhorrent to them. This further restricts participation in the program.

"Means-test medicine" requires that the applicant for MAA shroud himself in the welfare cloak. He must state, and in many jurisdictions his relatives are also required to reveal, the precise amounts and sources of his income, and the value of each asset. In "means-test medicine," far too much

emphasis is placed upon the means test and not enough upon the medicine.

#### *Limitations on benefits*

Having navigated the eligibility maze, the applicant's expectation of relief is all too often not realized. Frequently, assistance available is totally inadequate. For example:

Question. "In Kentucky, what happens if the hospital patient is still sick after 6 days?"

Answer. "We pay only for 6 days. If the patient is in the hospital longer, the care may be paid for by a relative or a charity, or the hospital may discharge him. We do not know what happens after our responsibility is met."<sup>4</sup>

Many States participating in MAA sharply limit their programs in terms of types of services provided and the duration or quality of care supplied, in addition to specifying that benefits will be available only for certain kinds of illness or injury.

Only four States—Hawaii, Massachusetts, New York, and North Dakota—have plans which meet the Department of Health, Education, and Welfare's definition of a comprehensive health program. And in Hawaii, Massachusetts, and New York only 2 percent or less of total payments was for physicians' services—hardly indicative of comprehensive coverage of physicians' care.

Where nursing home care is provided, the payments are often no more than enough to provide a poor quality of custodial care and are totally insufficient to pay for any skilled nursing care. Custodial care is not medical care.

In some States, the medically indigent person is required to pay cash contributions from his meager resources toward the cost of care. In some States, he must make such payments before he can even qualify for MAA help. Louisiana's Department of Public Welfare even permits hospitals to collect from the MAA recipient and/or his relatives the difference between the amount billed and the allowance paid by the welfare fund. Use of such deductible and contributory provisions is particularly inappropriate, contradictory, and self-defeating in a program which has already employed a means test to prove inadequacy of resources, and for which the Congress has forbidden use of any "enrollment fees, premium, or similar charges."

#### *Freedom of choice restricted*

Even those relatively few aged persons who are declared eligible for limited help under MAA are not always able to get the care they need. In some cases, they cannot get care from the doctors of their own choice.

The limitations in the scope and levels of care in many of the MAA programs adversely affect the quality of care provided, the patient's freedom of choice, and the doctor's freedom to treat his patients in an individual way. They are dependent upon the willingness of hospitals and physicians to accept MAA payments—which are often below the "going" rates. In one State, for a while, some doctors, and hospitals refused to participate in the MAA program because the State found it necessary to reduce fees paid.

At least five of the jurisdictions with MAA plans require that services be secured from specified physicians or facilities only. As

a practical matter, the failure of many jurisdictions to cover in-hospital physicians' services means that a large percentage of MAA recipients must depend upon the services of hospital and clinic staff doctors. Half of the physicians in Louisiana, for example, do not participate in the MAA program.

Unfortunately, the "freedom of choice" and the quality of care envisaged are dependent upon much more liberal financing of MAA programs. Unfortunately, also, most of the States cannot generate the matching funds necessary for a comprehensive program.

#### *Distortion of congressional intent*

Total MAA expenditures (Federal and State) from the inception of the program through August 1963 were \$580 million. Not even this thoroughly inadequate sum (total payments for 2½ years amounted to one-tenth of yearly medical costs for persons over age 65) represents exclusively new expenditures for a new program.

MAA money has been and is being used to pay for care for nearly 100,000 persons previously aided under other relief programs. On the basis of the income tests for old-age assistance, tens of thousands of additional recipients of MAA would have been eligible for care under OAA had the MAA program not been enacted.

It was not the intent of Congress when it authorized MAA that new Federal funds be used to relieve States and communities of a responsibility which they had already accepted. Congress intended that this help be extended to an entirely new group of citizens—not to those already on relief or who would be eligible for relief. Congress offered to assume the major share of a new responsibility in the belief that the States would be eager to assume the rest.

Despite the clear expressions of congressional intent that this was not to be a program in lieu of existing OAA medical care plans, a number of States, by their actions, clearly thwarted and distorted what was intended.

The motive is clear—the Federal match formula under MAA is more generous than under OAA.<sup>5</sup> The method is simple—drop skilled nursing home care, for example, from the OAA program and transfer coverage for that service to the MAA program. Now, the OAA recipient in need of nursing home care cannot be provided the care he needs, for OAA no longer includes that service. A few forms are completed and the OAA recipient is swiftly transformed into an MAA recipient. The clear intent of the Congress is violated by these paper transactions.

A dramatic example of the impact of this policy of transferring responsibility for care from OAA to MAA recently occurred in the State of Washington. That State reported a total of \$187,559 paid in behalf of 1,176 recipients of MAA during the month of May 1963. For the month of June 1963, however, Washington reported total payments of \$1,282,149 for care of 9,623 recipients of MAA.

State officials explain that this tremendous increase in MAA payments and recipients was caused by the transfer of recipients of long-term nursing home care under the old-age assistance (OAA) program to Washington's MAA plan.

These transfers are totally inconsistent with the intent of the Congress when it enacted Kerr-Mills. A recent article analyzing

<sup>1</sup> The Federal Government will match up to a maximum of \$15 of vendor payments for medical care under OAA. However, under MAA, there is no limit on the amount of vendor payments subject to Federal matching.

<sup>1</sup> "If You Need Medical Assistance for the Aged," informational leaflet No. 8, Commonwealth of Pennsylvania, Department of Public Welfare, March 1962.

<sup>2</sup> Quoted by Senator GEORGE R. METCALF in "New York's Medicare Plan," Hospital Topics, October 1962.

<sup>3</sup> At hearing of New York State's Joint Legislative Committee on Health Insurance Plans, November 16, 1962.

<sup>4</sup> Response to questions was made by Kentucky's commissioner of economic security at the 5th Annual Medical Services Conference of the Council on Medical Service of the American Medical Association, Nov. 25, 1962. The theme was "Kerr-Mills in Action—1962." The number of days of hospital care provided in Kentucky has since been increased to 10.



the Kerr-Mills MAA program in Connecticut appeared in the August issue of the authoritative *Journal Hospital Progress*. The authors, Albert W. Snoko, M.D., and Parnie S. Snoko, M.D., had this pertinent remark to make concerning the matter of transfer of assistance recipients to MAA:

"In this preliminary and tentative study of MAA in Connecticut, it is apparent that the program is an extension of an existing welfare program for health care of the needy aged. A large percentage of patients previously receiving assistance through OAA have been transferred to MAA. The caseload in Connecticut is steadily increasing."

#### *Uneven distribution of Federal funds*

While the formula under which Federal grants are made to the States was intended by Congress to favor the States with low per capita incomes—where needs are greatest—in actual practice, a few wealthier States are getting the lion's share of MAA funds.

Some of the States with the lowest per capita incomes in the Nation are, in effect, contributing toward the cost of MAA programs in the wealthier States—while their citizens receive in some cases nothing, in others relatively little in return.

This result is not necessarily due to a lack of willingness on the part of the less wealthy States to do more for their older citizens, but is a consequence of the far greater tax bases in the wealthier States.

Nearly 88 percent of the \$189 million in Federal funds allocated from the inception of the MAA program through December 1962 went to just five States—California, Massachusetts, Michigan, New York, and Pennsylvania. However, only 32 percent of the older population of the Nation reside in those five States.

This disproportionate sharing may well continue over the long run.

#### *High administrative costs*

MAA's unavoidable administrative expenses constitute a substantial drain upon the limited resources of the States, which might otherwise be devoted to purchasing health care. In five States, such expense ranged from 25 to 59 cents for each dollar actually spent on medical care in 1962.

In general, those States which have the highest costs of administration are the States which can least afford the expense—those with very low per capita incomes. The Federal Government pays only 50 percent of the costs of administration while it may pay as much as 80 percent of the dollars going for actual medical care. Thus, only a relatively small portion of a State's funds may go for medical care when substantial amounts have to be allocated to administrative costs.

As compared with a program based upon use of the social security mechanism and with no means test, it costs a great deal of money to administer a program with the complex limitations on eligibility and benefits inherent in the MAA program.

In five States, administrative costs in 1962 for each applicant approved for MAA averaged over \$100. The average cost per approved applicant in all States with MAA plans was \$70.

In contrast, a social security-financed program would not spend millions in investigating income and assets of applicants and their relatives. The administrative expenses of such a program, estimated at 3 percent, would relate mainly to the procedure for making payments of hospital and related benefits, not to the determination of eligibility.

#### *Conclusion*

In conclusion, 3 years of experience indicates clearly that the strained financial resources of the States—and the competition for those funds by other urgent public needs such as education, housing, roads, etc.—

make the well-intentioned aims of the Kerr-Mills MAA legislation impossible of realization in all of the States in the Union.

This experience proves that Kerr-Mills cannot, of itself, solve that problem which we have found to be the most persistent and frightening one confronting millions of older people in all parts of the country—the problem of assuring economic access to adequate medical care on a decent, self-respecting basis.

### PTA MAGAZINE SERIES ON CIVIL LIBERTIES

Mr. DOUGLAS, Mr. President, the officers, editors, and directors of the PTA magazine, the official magazine of the National Congress of Parents and Teachers, are to be congratulated for their new effort to increase public understanding of the fundamental guarantees of the Bill of Rights.

Beginning with their September issue, they are publishing a series of 10 articles on civil rights and civil liberties. The series begins with an article by the historian and Western Reserve University professor, Carl Wittke, on "Our Heritage of Freedom." The October issue continues the series with an article by the Yale University educator, Edward Gordon, "Freedom To Teach and Learn." Articles to appear in future issues will concern legislative apportionment, the Supreme Court decisions on prayer and Bible reading in the public schools, freedom of assembly, freedom of thought and expression and the right to silence, children's rights, search and seizure, and the teaching of the Bill of Rights in high schools. The editors express the hope that these articles "will stimulate thoughtful consideration and informed discussion of the issues involved."

This effort to promote understanding of the fundamentals of our liberty deserves support and commendation. I hope this series is widely studied, and I ask unanimous consent that the initial article by Professor Wittke be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### OUR HERITAGE OF FREEDOM (By Carl Wittke)

In September 1787, 39 men in knee breeches and powdered wigs signed a few pages of parchment and departed for home after 4 long months of deliberation and debate and compromise. The product of their labors can be read in about half an hour. It is the Constitution of the United States. Practical men of affairs and experience, the Founding Fathers included some of the young Nation's wisest men. They were a small, well-organized minority, who believed it was necessary to lead a conservative reaction against the economic and social disorders that followed the American Revolution—against what some people called the excesses of democracy.

In the long contest to secure ratification of the new Constitution by the States, one of the most serious obstacles was the absence of a bill of rights that would guarantee individual liberties. Many of the members of the Constitutional Convention of 1787 were not opposed to a bill of rights. In fact, they had helped draft those bills already in existence in their native States. They were eager to return to their homes after hot months in Philadelphia, however, and they believed a bill of rights was unnecessary be-

cause the new Government was one of limited, specific powers only.

Moreover, did not the Constitution itself contain specific, judicial safeguards on matters that people were concerned about? It guaranteed the writ of habeas corpus, which protects people against being held in jail unlawfully. It forbade laws of attainder—that is, laws that punish people without resort to the courts. It prohibited ex-post-facto legislation and thus guaranteed that a person cannot be punished for an act which was not illegal when he performed it. Trial by jury was also assured. It was assumed, too, that the courts would protect the people from legislative and executive tyranny by applying the rule of reason and the guarantees of the English common law.

But these assurances were not enough for the American people. They remembered the centuries of political battles in Britain to establish individual liberties. Their American experiences with oppressive governments in colonial days were vivid in their minds. They were disturbed that the new Constitution safeguarded property rights but said relatively little about individual liberties. Five States ratified the Constitution only after receiving specific pledges that a bill of rights would be added to protect individual rights against encroachments by the Federal Government.

In the first U.S. Congress, James Madison, in fulfillment of the agreements made during the contest over ratification, presented the resolutions that developed into the Bill of Rights. He had examined more than 100 proposals from the States. The House of Representatives adopted 17; the Senate reduced the number to 12; and 10 were finally ratified by the States. For all practical purposes, therefore, the 10 amendments of 1791 may be regarded as part of the original Constitution.

#### GUARDIAN OF OUR RIGHTS AND LIBERTIES

For our present purpose we may omit a discussion of amendments 9 and 10, which were intended to define more precisely the nature of American federalism and the powers reserved to the States and the people. The first amendment guarantees religious liberty and freedom of speech, press, petition, and assembly against interference by Congress. The second, asserting the right to bear arms, and the third, forbidding the quartering of soldiers in private homes, are not so significant today as they once were. The fourth amendment protects the individual's person, premises, papers, and other property from arbitrary and unreasonable search and seizure.

Amendment five is complex. It bars trial for a capital crime until a grand jury has examined the evidence and made formal charges either in a presentment or indictment. It protects a person in a criminal trial from being compelled to testify against himself. Its double jeopardy clause means that a person acquitted of an offense may not be tried for it a second time. It also guarantees due process of law in all things related to depriving a person of life, liberty, or property and provides that private property may not be taken for public use without just compensation.

The sixth and seventh amendments guarantee jury trial, the right to counsel, and the right to confront those who have witnessed against the accused. The eighth prohibits excessive bail and fines and unusual punishments.

The first, fourth, and fifth amendments are as important today to our evolving democracy as they were when they were first adopted in 1791.

Amendment one is based on the belief that the best way to make a government stable is to keep it flexible. A democracy requires free trade in ideas as well as in commerce and industry. The United States is not a closed society, frozen into a fixed mold. It

is a process forever unfinished. In the eternal quest for truth and justice, the freedom of expression guaranteed by the first amendment is essential to orderly, peaceful progress if we would avoid tumult and revolution. The first amendment rests upon faith in the dignity, intrinsic worth, and intelligence of the individual, provided the channels of information are kept open so that truth may do battle with error in the marketplace of ideas.

There is a vast difference between dissent and disloyalty, between criticism and subversion. We believe, with Jefferson, that the opinions of men are not the proper concern of government. Only when they break out in overt acts against the peace and public order may government intervene. Nothing could have a more blighting effect upon a democratic society than silence forced upon its citizens by law.

Underlying the American faith in freedom is the belief that man still can make choices along the road of history and that not all of life is a matter of economic or biological determinism. The first amendment assumes that men are capable of reasoning and following the weight of argument to rational conclusions. In a democratic society, policy is distilled from public debate, and we progress by experimentation. Moreover, the more civilized we are, the more minorities we are likely to have. The first amendment recognizes the function of the catalysts in society—of those who would bring about changes. At the same time it protects society against attacks from those on the left or on the right who would impose their orthodoxies by the methods of dictatorship.

It is obvious that tolerance is not tolerance unless it tolerates disagreement. Free speech is meaningless unless it applies to unpopular minorities and guarantees their right to be heard as they do not advocate substituting bullets for ballots.

#### FREE TO MOVE FORWARD

It is well to remember that slavery once was defended as a sacred right to hold a form of property. It was specifically protected by the U.S. Constitution, and abolitionists defied the fundamental law of the land when they insisted that all men should be free. Free public schools once were considered communistic because they involved the confiscation of one man's goods for the education of another man's child. Many remember the bitter contests over women's suffrage, workmen's compensation laws, mothers' pensions, and Government insurance of bank deposits. Free speech, a free press, and free elections have made all these things possible without the shock of social upheaval.

The freedoms guaranteed by the first amendment have preserved the evolutionary features of our democracy by keeping open the appeal to mediation and compromise. Progress often has been initiated by the dissatisfied and disgruntled critic.

In recent years the fifth amendment has assumed unexpected importance. I urge you to read it. It consists of just 108 words. They were written into the Constitution to protect individuals from persecution by arbitrary and tyrannical governments. The Founding Fathers knew their history. They knew the story of the heroes who in earlier centuries had defied legislative, executive, and judicial tyranny and won decisive victories for human freedom. A number of the State constitutions of the Revolutionary period forbade questioning prisoners to force them to incriminate themselves. It is not surprising that the same protection was put into the U.S. Constitution in 1791.

Several parts of the fifth amendment, as we have noted, deal with due process of law. Perhaps the most important part of our time is that which provides that no one can be forced to testify against himself. This protection derives from a time when con-

fessions were wrung from the victims of tyrannical persecution by physical and mental torture. Under these circumstances, taking the fifth amendment could not be considered a confession of guilt. It was intended to serve all men and simply meant that some way had to be found to prove a man's guilt other than by the methods of the Dark Ages. Undoubtedly some who are guilty have appealed to the fifth to conceal their guilt. But it was and still is intended to shield the innocent from illegal and arbitrary acts of government.

#### TO CHERISH AND DEFEND

The Bill of Rights remains the main bulwark of our liberties, and along with the Declaration of Independence has been the most admired abroad. Originally intended in 1791 to protect the majority from a powerful minority, its major function today is to protect individual liberty and the rights of unpopular minorities. It is our defense against regimentation and totalitarianism. It recognizes that individual variations, not blind conformity, invigorate democracy.

It must be cherished and defended. It will not be attacked head on in an effort to secure its repeal. But unless we are alert and eternally vigilant, it can become the victim of a slow, almost imperceptible process of erosion, especially in a time of international tensions that affect the national security.

The late Justice Murphy pointed out that "loyalty to our traditions of civil liberty is as much a part of our patriotism as defense of our shores and hatred of treason." More recently Chief Justice Warren has pleaded for the preservation of our basic freedoms "lest in our desire to be secure we lose our ability to be free."

#### DECISIVE STEP TOWARD SAVING THE INDIANA DUNES

Mr. DOUGLAS. Mr. President, Chicago's American last week hailed introduction of S. 2249 by Senator JACKSON and other Senators as a "decisive step toward saving the irreplaceable dunes," but properly pointed out that even when the bill to create the national lakeshore is passed—as I am certain it will be—the value of the park in practice will depend largely on the good faith of Indiana leaders.

While I would not show quite the restraint voiced by Chicago's American about the very hopeful developments of recent weeks, this newspaper has every right to a skeptical attitude. The American's long and thoughtful interest in saving the Dunes gives it this right and adds weight to its opinion. It is true that the administration bill to create an 11,700-acre Indiana Dunes National Lakeshore is not yet enacted, but the introduction of S. 2249 with the cosponsorship of approximately one-quarter of the Senate gives definite hope to those of us who are seeking immediate action on this legislation. I ask unanimous consent that the editorial from the American of October 23 be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### STEP TOWARD SAVING THE DUNES

A bill to create an 11,732-acre national park in the Indiana dunes, thus saving the dunes from being turned into a sprawling industrial complex, has been introduced in the Senate. While the bill is not strictly speaking a compromise, it is probably the closest thing to it that could have been

reached. Senator PAUL DOUGLAS, who has led a tireless battle to block the destruction of the dunes area, has our thanks and congratulations for gaining even this partial success.

It must be emphasized, though, that the Senate bill has only been introduced, not passed; that it faces stiff opposition in the House; and that even if it is passed by both Houses, its value in practice will depend largely on the good faith of Indiana politicians, a quality that has not been in noticeable oversupply.

Under the Interior Department's bill, the proposed Indiana Dunes National Lakeshore Park would consist of 10 scattered parcels of land stretching from the outskirts of Gary eastward almost to Michigan City. The Department said the areas set apart are those most suitable for "preservation and portrayal of the natural dunes," for beaches, recreation grounds, and nature study.

The bill also clears the way for construction of steel mills and a new deep-water harbor at Burns Ditch, a plan initiated by Bethlehem Steel and Midwest Steel Corps. (Since the whole point of the conservationists' campaign was to have these projects located elsewhere, the bill can't literally be called a compromise.) The most intriguing elements in the whole project, though, are two conditions attached by the Federal Budget Bureau to the harbor-building plan.

To qualify for Federal help, a fully integrated steel mill must be built at the Burns Ditch site and a yearly flow of 10 million tons of coal through the harbor must be guaranteed; or alternatively two integrated mills must be built and 5 million tons guaranteed. The coal must be destined for users other than the steel companies.

The steel companies cannot in fact make that guarantee. Coal shippers would have no particular reason to transfer their operations in this area to Burns Ditch; they can do the same job more cheaply through their present facilities in Chicago. Indiana seems to be taking a desperate gamble in making promises it can't back up, but we wonder whether there isn't an ace or two up somebody's sleeve.

For the moment, though, a decisive step has been taken toward saving the irreplaceable dunes from destruction. There is reason for considerable satisfaction in that.

#### LOUIS BROWNLOW

Mr. DOUGLAS. Mr. President, the late Louis Brownlow was one of the finest practitioners and students of the art of public administration ever produced by this country. As journalist, administrator, and author he exemplified the unselfish and skilled public servant; his example has made the full meaning of public service clear to many students and officials and will inspire many others to come. Though without formal degrees and titles as professor, in his life and work he was in fact an educator of wide and lasting influence.

The distinguished scholar, Herbert Emmerich, who was Louis Brownlow's friend, has written a well-deserved tribute. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the tribute was ordered to be printed in the RECORD, as follows:

#### LOUIS BROWNLOW—1879-1963

(By Herbert Emmerich)

Louis Brownlow defied description. He was unique—a natural if you will. He was hard to photograph or to paint, nor did profilers or classifiers ever manage to catch the whole vivid essence of this gifted and



beloved man. These lines will also be inadequate.

Nobody ever knew "Brownie" completely. The countless facets of his universal interests and knowledge were only partly revealed to each one. In the best sense he was all things to all men, for he was never to himself untrue.

He was unschooled but immensely educated. His special gift of total recall was a burden to him and he longed to forget something occasionally. He rarely did. He revered men of learning such as his late great friend Charles Edward Merriam and he never ceased to be astonished at the acceptance of himself as a peer by the world of scholars.

"Brownie" was empathy personified. His catholicity of interest, his intense curiosity, his immense reading, and his total recall, animated and mellowed by his radiant love of people, caused him to identify with everyone and with their vocations. His immense circle of friends in all lands and climes, not only felt the warmth of his interest in their lives, but unconsciously came to accept him as an honorary member of their professions.

He had an unaffected tolerance for every race and creed. He adored young people of whom so many came under his spell. But these were no maudlin relationships. His keen brown eyes perceived motivations and failings as well as strengths. Nor was he reticent in communicating praise and blame.

He abhorred cynicism, cant, and tawdriness. He charily used such words as "leadership" and "excellence" but they were qualities he revered and himself personified.

He had the gift of projecting history into the future and at times his forecasts on men and events were uncannily prophetic. He liked to recall that in his long rich lifetime he had known men who had seen every President of the United States and even one French veteran who had seen Napoleon. He was our most profound student of the American Presidency which he considered the noblest invention of the Founding Fathers. His book on "The President and the Presidency" is a classic and the Executive Office of the President is his monument. No wonder that more than one President sought his counsel.

Quite remarkably his excursions into the larger theaters of national and international administration never diminished his interest in the problems of the community, and of the municipality, and year in and out he kept insisting on their essential interrelationships in our great society.

"Brownie's" "A Passion for Politics," his first memoir, was later eclipsed but not replaced by his passion for good administration in which he was a pioneer and in which field he made his most enduring contributions. "A Passion for Anonymity," his second memoir, expressed his administrative interests and the phrase symbolizes his conviction that in the public service the cause comes first and transcends the public recognition of the individual.

But he also was the great communicator. He believed that intelligence in related fields should be shared and disseminated and the Public Administration Clearing House was the institutional expression of this idea.

He had a rare understanding of the language of his country. He deplored the passing of the American tall-tale as an art form. He was the intellectual of the cracker barrel and he loved big talk, small talk, and above all, good long talk. But in fact he wrote better than he spoke. His severe apprenticeship under great journalists sharpened his natural gift for expressing his own inexhaustible stockpile of insights and memories.

All the world was "Brownie's" family and he gave generously of his time and substance to friends without thought of reward. But he had time and a special place in his heart for his own kith and kin, as son, brother, cousin, uncle, and great uncle, and they adored him.

As husband his love and tender devotion shone forth for all to see. In turn his gifted and lovely consort, Elizabeth Sims Brownlow, indefatigably shared and supported his dreams and aspirations. Their wonderful union was a model of affection and partnership.

His unquenchable spirit of freshness and enthusiasm remained vibrant until his very last breath, and his end came, as he would have wanted it to come, in action. We will think of Louis Brownlow again and again and when we do, I believe, it will be with joy in our hearts, and renewed inspiration to carry forward our own causes and aspirations.

Louis Brownlow waged a lifelong and victorious battle for his health. It may have been this battle plus his innate humility that fostered in him a sense of awe for the universe beyond the area of a man's rational comprehension.

In his memoirs he declared the faith he sought, the faith he found, and the faith he held in the following lines from Tennyson's "In Memoriam":

"That God, which ever lives and loves;  
One God, one law, one element,  
And one far-off divine event,  
To which the whole creation moves."

#### MIDNIGHT WELFARE SEARCHES AND THE SOCIAL SECURITY ACT

Mr. DOUGLAS. Mr. President, recipients of public welfare support are, nonetheless, still citizens or residents of the United States and protected by the civil liberties guarantees of the Constitution. In the District of Columbia, in Illinois, and in many other States, a number of questions have arisen concerning the appropriate methods of checking on the eligibility of recipients of assistance. There is, unfortunately, evidence that in some cases the Social Security Act has indirectly become a means for depriving some recipients of aid of the privacy guaranteed by the fourth amendment.

Charles A. Reich, associate professor of law at Yale University, has written a thoughtful article, challenging the constitutionality of night raids on families receiving assistance which may be of interest to many Members of Congress. I ask unanimous consent that this article, published in the June 1963 issue of the Yale Law Journal, be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### MIDNIGHT WELFARE SEARCHES AND THE SOCIAL SECURITY ACT

(By Charles A. Reich)

In many States, and in the District of Columbia, it has become common practice for authorities to make unannounced inspections of the homes of persons receiving public assistance. Often such searches are made without warrants and in the middle of the night. The purpose of the inspections is to check on recipients' eligibility for assistance. Eligibility, under State or local law, may be determined by many aspects of a family's circumstances, including the presence or absence of an adult man capable of supporting the family. The searches are sometimes based upon particular evidence known to investigators beforehand, but on occasion there have been mass raids designed as general checks on eligibility. The demand for entry may carry with it the threat, express or implied, that refusal to admit will lead to discontinuance of public assistance.

Under the Social Security Act,<sup>1</sup> the Federal Government participates to a substantial degree in State public assistance programs. The act sets forth detailed requirements that State plans must meet to qualify for payment of Federal funds and provides for approval of State plans by the Secretary of Health, Education, and Welfare.<sup>2</sup> Nothing in the act deals explicitly with the matter of searches. But the widespread use of midnight searches in the administration of welfare programs which are federally supported nevertheless presents a problem of national concern. This concern must be all the greater because persons on welfare are mostly unable to protect their own rights, and because the searches have become an integral part of an otherwise beneficent program that is central to the welfare state.

#### I. WELFARE SEARCHES AND THE CONSTITUTION

The first question that must be asked is whether midnight inspections are consistent with the Federal Constitution. The fourth amendment provides:

"The right of the people to be secure in their persons, houses, papers and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized."

The rights guaranteed by this amendment are enforceable against the Federal Government and, through the due process clause of the 14th amendment, against the States.<sup>3</sup>

Do searches of welfare recipients' homes without warrants violate the 4th and 14th amendments? They might be justified, if at all, only by one of these general arguments: (a) that the searches are conducted with the consent, express or implied, of the recipients; (b) that the object of the searches is not to secure evidence for criminal prosecution or forfeiture; (c) that the searches, under all the circumstances, are reasonable. These issues will be discussed below.

#### A. Consent

An entry or search that might appear to be a violation of constitutional rights may be validated by consent, express or implied. Welfare inspectors do not force their way in; they enter only when the occupant opens the door. Our first problem is whether this form of acquiescence in a search constitutes "consent."

Two leading decisions of the Supreme Court deal with the question of acquiescence to a search. In *Johnson v. United States*,<sup>4</sup> the occupant of a room opened the door after the police knocked and said they wanted to talk to her. The Court held that the occupant had not freely consented to the officers' entry and subsequent search:

"Entry to defendant's living quarters, which was the beginning of the search, was demanded under color of office. It was granted in submission to authority rather than as an understanding and intentional waiver of a constitutional right."<sup>5</sup>

In *Amos v. United States*,<sup>6</sup> officers went to a home and told the woman who answered the door that they were revenue officers come to search the premises, whereupon she admitted them. The Court ruled:

"The contention that the constitutional rights of defendant were waived when his wife admitted to his home the Government

<sup>1</sup> 49 Stat. 620 (1935), as amended, 42 U.S.C. §§ 301-1371 (1958).

<sup>2</sup> See, e.g., 49 Stat. 627, 629, 631 (1935), as amended, 42 U.S.C. §§ 601-02, 701-03, 711-13 (1958).

<sup>3</sup> *Mapp v. Ohio*, 367 U.S. 643 (1961); *Elkins v. United States*, 364 U.S. 206 (1960); *Wolf v. Colorado*, 338 U.S. 25 (1949).

<sup>4</sup> 333 U.S. 10 (1948).

<sup>5</sup> *Id.* at 13.

<sup>6</sup> 225 U.S. 313 (1921).

officers, who came, without warrant, demanding admission to make search of it under Government authority, cannot be entertained. We need not consider whether it is possible for a wife, in the absence of her husband, thus to waive his constitutional rights, for it is perfectly clear that under the implied coercion here presented, no such waiver was intended or effected."<sup>7</sup>

Thus the mere demand for admission by one in authority is likely to be considered as coercive.<sup>8</sup> The courts are quick to note the "disparity of position" between a Government agent and a humble ordinary citizen.<sup>9</sup> In light of these cases, it seems clear that the opening of a door by a welfare recipient, in response to a demand by official investigators, is not the consent to a search.<sup>10</sup>

The conclusion that consent is not present in a typical welfare search has been reached without assuming the existence of any pressure on the occupants other than that generated by the mere presence of authority. In reality, there is often a threat, sometimes made explicitly, and sometimes merely present in the mind of the recipient, that unless inspectors are admitted public assistance will be taken away. This fact greatly strengthens the conclusion that there is no freely given consent. In a recent case involving a coerced confession, the Supreme Court held that the threat that "State financial aid for her infant children would be cut off . . ." constituted an important element of coercion.<sup>11</sup> This case leaves little doubt that the Court would deem even an implied threat to

cut off assistance as coercive in a welfare search situation.

If there is no voluntary consent, is there any ground for contending that recipients of public assistance impliedly consent to inspections when they accept assistance? The Supreme Court has held that in special circumstances, where a citizen is required by law to keep certain records, the citizen may be held to have accepted the obligation to permit them to be inspected.<sup>12</sup> However, the theory of such cases is that the citizen has in his possession property that does not belong to him—property that is public, not private. Welfare recipients are not required to keep any comparable records, and there is nothing else in their homes that could possibly be deemed public property justifying an inspection. Even under the public records doctrine inspection must be carried on in a reasonable manner. The Supreme Court, in upholding inspection of public records held by a private individual, stressed that the inspection took place at "a place of business, not a private residence," and that it occurred "during business hours."<sup>13</sup> The Court added:

"We do not suggest that officers seeking to reclaim Government property may proceed lawlessly and subject to no restraints. Nor do we suggest that the right to inspect under the regulations subjects a dealer to a general search of his papers for the purpose of learning whether he has any coupons subject to inspection and seizure."<sup>14</sup>

In summary, there is no theory under which it can be said that public assistance recipients consent, expressly or impliedly, to searches of their homes. The official demand for entrance is sufficient to render any apparent consent involuntary and the threat of loss of public assistance underscores the coercive nature of the demand for entry.

#### B. The object of the search

Does the object or purpose of a search affect its validity under the fourth amendment? It has been argued that there is a significant difference between a search for evidence of crime and an inspection to check on eligibility for a Government benefit.

In *Frank v. Maryland*,<sup>15</sup> the Supreme Court had before it a city ordinance authorizing health inspectors to inspect homes for unsanitary conditions without a warrant, and subjecting householders to a fine for refusal to admit an inspector. In a 5-to-4 decision, the Court upheld the law. Its reasons were as follows: (a) the inspection was solely for remedial health purposes; no evidence for criminal prosecution or forfeiture was sought; (b) under the ordinance, valid grounds for suspicion were required to exist; (c) the inspection was required to be made in the daytime. The Court said: "Here was no midnight knock on the door, but an orderly visit in the middle of the afternoon, with no suggestion that the hour was inconvenient";<sup>16</sup> (d) the inspector had no power to force entry; (e) such inspection had a long history. The Court upheld that statute because it touched "at most upon the periphery of the important interests safeguarded by the 14th amendment's protection against official intrusion," and because "it is hedged about with safeguards designed to make the least possible demand on the individual occu-

pant, and to cause only the slightest restriction on his claims of privacy."<sup>17</sup>

This decision is the chief argument in support of permitting some kinds of noncriminal inspections without warrants.<sup>18</sup> But the carefully guarded language of the opinion indicates that the holding would not be extended to apply to welfare searches. They lack the safeguards that the Court mentioned. Instead, welfare searches are frequently the very "midnight knock on the door" which the Frank case condemned. It would require a significant extension of Frank to permit the welfare searches.

Rather than being extended, the prospect is that the Frank case will be limited and that judicial protection of privacy will increase. The four dissenting justices in Frank, all of whom are still serving, contended that the inspection violated the 4th and 14th amendments despite its noncriminal purpose and its safeguards. They said that no Government official can invade a home for any reason unless he has a warrant or an immediate major crisis affords neither time nor opportunity to get a warrant.<sup>19</sup> Recent decisions of the Court show it to be moving toward a more sweeping, rather than narrower, interpretation of the right of privacy.<sup>20</sup>

The above comparison of welfare inspections with health inspections has assumed that the welfare inspections are not searches for evidence of crime. But this assumption itself must be questioned. The purpose of searching recipients' homes is, as already stated, to check on their eligibility. But under State public assistance laws, misrepresentation of eligibility may generally be prosecuted as a crime. For example, section 145 of the New York social welfare law makes it a misdemeanor to obtain public assistance to which one is not entitled, and specifies that failure to notify the appropriate welfare official of any receipt of income shall constitute presumptive evidence of deliberate concealment of a material fact. Moreover, under this statute welfare officials must report apparent violations to the district attorney. In Washington, D.C., misrepresentation may also be punished as a crime under section 32-765 of the District of Columbia Code. In California a false application for aid to a child constitutes the crime of perjury.<sup>21</sup> In addition, the unlawful taking of welfare payments, based upon misrepresentation of eligibility, has been held to constitute the crime of grand theft.<sup>22</sup> In New York, it would also constitute grand larceny.<sup>23</sup> In Pennsylvania it would be cheating by false pretense.<sup>24</sup>

<sup>17</sup> *Id.* at 367.

<sup>18</sup> In *Ohio ex rel. Eaton v. Price*, 364 U.S. 263 (1960), the Supreme Court reaffirmed *Frank*, 4-4, and in the view of the dissenters, applied it to a different factual situation. However, the majority wrote no opinion, indicating that no extension of *Frank* was intended. *Of. Abel v. United States*, 362 U.S. 217 (1960), also involving a noncriminal search; but in that case the search was upheld solely on the ground that it was incidental to a lawful arrest.

<sup>19</sup> *Frank v. Maryland*, 359 U.S. 360, 374. See also *District of Columbia v. Little*, 178 F.2d 13 (D.C. Cir. 1950), *aff'd* on other grounds, 339 U.S. 1 (1950), for a strong statement by Judge Prettyman that the fourth amendment applies equally to noncriminal searches.

<sup>20</sup> *Wong Sun v. United States*, 371 U.S. 471 (1963); *Mapp v. Ohio*, 367 U.S. 643 (1961); *Silverman v. United States*, 365 U.S. 505 (1961).

<sup>21</sup> Cal. Welfare & Institutions Code § 1550 (1956).

<sup>22</sup> *Dawson v. Superior Court*, 138 Cal. App. 2d 685, 292 P.2d 574 (1956).

<sup>23</sup> *People v. Hubbard*, 10 App. Div. 2d 735, 199 N.Y.S.2d 206 (1960).

<sup>24</sup> *Commonwealth v. Thomas*, 166 Pa. Super. 214, 70 A.2d 458 (1950).

<sup>7</sup> *Id.* at 317.

<sup>8</sup> *Judd v. United States*, 190 F.2d 649, 650-51 (D.C. Cir. 1951).

<sup>9</sup> *Canida v. United States*, 250 F.2d 822, 825 (5th Cir. 1958). See also *Nelson v. United States*, 208 F.2d 505 (D.C. Cir. 1953, *cert. denied*, 346 U.S. 827 (1953)); *Ray v. United States*, 84 F.2d 654, 656 (5th Cir. 1936).

<sup>10</sup> The status of the law on this point has been well summarized by Judge Washington of the Court of Appeals for the District of Columbia:

"Searches and seizures made without a proper warrant are generally to be regarded as unreasonable and violative of the fourth amendment. True, the obtaining of the warrant may on occasion be waived by the individual; he may give his consent to the search and seizure. But such a waiver or consent must be proved by clear and positive testimony, and it must be established that there was no duress or coercion, actual or implied. (*Amos v. United States*, 255 U.S. 313, 41 S. Ct. 266, 65 L. Ed. 654; *United States v. Keli*, D.C.S.D., Ill. 1921, 272 F. 484.) The Government must show a consent that is 'unequivocal and specific' (*Karwicki v. United States*, 4 Cir. 55 F.2d 225, 226), 'freely and intelligently given.' (*Kovach v. United States*, 6 Cir., 53 F.2d 639). Thus invitations to enter one's house, extended to armed officers of the law who demand entrance, as usually to be considered as invitations secured by force. (*United States v. Marquette*, D.C.N.D. Cal. 1920, 271 F. 120.) A like view has been taken where an officer displays his badge and declares that he has come to make a search (*United States v. Slusser*, D.C.S.D. Ohio 1921, 270 F. 818), even where the householder replies 'All right.' (*United States v. Marra*, D.C.W.D.N.Y. 1930, 40 F.2d 271). A finding of consent in such circumstances has been held to be 'unfounded in reason.' (*Herter v. United States*, 9 Cir. 27 F.2d 521.) Intimidation and duress are almost necessarily implicit in such situations; if the Government alleges their absence, it has the burden of convincing the court that they are in fact absent. *Judd v. United States*, 190 F.2d 649, 650-51 (D.C. Cir. 1951).

<sup>11</sup> *Lynumn v. Illinois*, 372 U.S. 528, 534 (1963).

<sup>12</sup> *Shapiro v. United States*, 335 U.S. 1, 32-35 (1948); *Davis v. United States*, 328 U.S. 582, 587-91 (1946); *Wilson v. United States*, 221 U.S. 361 (1911). See also *Bowles v. Glick Bros. Lumber Co.*, 146 F.2d 566 (9th Cir. 1945), *cert. denied*, 325 U.S. 842 1945; *Rodgers v. United States*, 138 F.2d 992 (6th Cir. 1943).

<sup>13</sup> *Davis v. United States*, 328 U.S. 582, 592 (1946).

<sup>14</sup> *Id.* at 591.

<sup>15</sup> 359 U.S. 360 (1959).

<sup>16</sup> *Id.* at 366.



Even more significant for the present discussion is the fact that searches by welfare inspectors have actually led to criminal prosecutions under the laws just cited. For example, in *People v. Shirley*,<sup>25</sup> defendant, Tressie Neal, received welfare aid for herself and her minor children. She reported to a county social worker that her only income was her welfare payments plus occasional earnings of the children, and that there were no unrelated adults living with the family. The social worker visited her home 1 day and found a man there, fully clothed but wearing bedroom slippers. Two days later, investigators came to the house at 2:30 a.m. and found the man in bed in defendant's bedroom. She then admitted that he had been living there for at least 6 months and that he had contributed to her support. She was found guilty of the crime of grand theft.

In *People v. Phipps*<sup>26</sup> a woman obtained welfare payments for herself and her nine minor children after stating that her husband was absent from home and that she was seeking a divorce. After accumulating considerable evidence that the husband was actually living at home, investigators paid a nocturnal call, described by the court as follows:

"Between 2 and 3 a.m. on January 28, 1959, investigators went to the Phipps home to investigate the truth of reports that Mr. Phipps was frequenting the home of Mrs. Phipps. The call was made at that unusual hour to preclude the anticipated explanation that Mr. Phipps was at the home for the purpose of visiting his children. As the investigators approached the home they encountered Mr. Phipps as he came out the back door. Mrs. Phipps and several of the children were inside the home. Both Mr. and Mrs. Phipps were fully dressed. She stated that Mr. Phipps had spent the evening there and they were still visiting and awaiting the return of a teenaged daughter who had gone out to attend a dance."<sup>27</sup>

Primarily on the basis of a subsequent admission, but also on the basis of the evidence thus obtained, husband and wife were convicted of grand theft.

In *Blackmone v. United States*,<sup>28</sup> Elizabeth Blackmone obtained welfare payments after representing that her husband had deserted her. The following excerpts from the court's opinion are relevant:

"On the evening of February 7, 1958, three investigators of the department of public welfare went to the house occupied by Mrs. Blackmone. Two of them went to the rear of the premises, and after a short wait, they observed a man running from the rear door in his bare feet and shirt sleeves. The investigators asked him where he was going and requested him to go back into the house with them, which, according to the statement of proceedings and evidence, he did voluntarily. Inside, they found Mrs. Blackmone and the third investigator, who testified that he had been admitted to the premises by Mrs. Blackmone. After some discussion, she stated that the man was her husband. Blackmone then said: 'Well, you've got me, boys. My name is Blackmone. I'm here, you can see. I've been here off and on about 3 years.'

"While in the house the investigators noticed men's clothing."<sup>29</sup>

Husband and wife were convicted, on the basis of this and other evidence, of the crime of welfare fraud.

Other cases, not themselves involving inspection, show the importance to criminal

prosecutions of evidence that might possibly be obtained by searches of recipients' homes. In *People v. Bailey*,<sup>30</sup> the court held that where a man lives with the mother of welfare-aided children, the Department of Social Welfare has the right to treat him as if he were the children's stepfather and to compute eligibility by considering his income. The defendant mother was convicted of grand theft. In *People v. Ryerson*,<sup>31</sup> a husband and wife were convicted of obtaining welfare money by false pretenses because they represented that they had separated while actually continuing marital relations. In *People v. Hubbard*,<sup>32</sup> a charge of grand larceny was based on misrepresentation of marital status to the Department of Welfare.<sup>33</sup>

It should be added that even the narrowest interpretation of the fourth amendment applies it to evidence for forfeitures as well as crimes.<sup>34</sup> A search for evidence to cancel welfare benefits might well be deemed to be a proceeding for forfeiture.<sup>35</sup> While this term as used in the early search and seizure cases undoubtedly meant the confiscation of private property as a penalty for violation of law,<sup>36</sup> deprivation of welfare subsistence could be considered the modern equivalent of a forfeiture.

#### C. Reasonableness of search

The only remaining argument to support welfare searches is the very general one that they can somehow be justified as reasonable. The Supreme Court has said: "It is only unreasonable searches and seizures which come within the constitutional interdict. The test of reasonableness cannot be stated in rigid and absolute terms. Each case is to be decided on its own facts and circumstances."<sup>37</sup>

In the two leading cases in which this statement was made, searches without warrants were held valid. But in both cases the searches were incident to lawful arrests, a circumstance which the Court recognizes as a special exception to the general rules governing searches and seizures and which is not present in the ordinary welfare search.

With respect to the reasonableness of a search of a private dwelling, not supported by a lawful arrest, the Supreme Court first stated its position in *Agnello v. United States*:<sup>38</sup>

"While the question has never been directly decided by this Court, it has always been assumed that one's house cannot lawfully be searched without a search warrant, except as an incident to a lawful arrest therein. The protection of the fourth amendment extends to all equally—to those justly suspected or accused, as well as to the innocent. The search of a private dwelling without a warrant is in itself unreasonable and abhorrent to our laws. Belief, however well founded, that an article sought is concealed in a dwelling house furnishes no justification for a search of that place with-

<sup>25</sup> 55 Cal. 2d 514, 360 P.2d 39, 11 Cal. Rptr. 543 (1961).

<sup>26</sup> 199 Cal. App. 2d 646, 19 Cal. Rptr. 22 (Dist. Ct. App. 1962).

<sup>27</sup> 10 App. Div. 2d 235, 199 N.Y.S.2d 206 (1960).

<sup>28</sup> In addition to evidence of the crimes described above, searches of recipients' homes might furnish evidence of closely related crimes, such as adultery or fornication. Section 405 of the Social Security Act also recognizes that states may impose criminal penalties based upon misuse of funds provided for the benefit of a child. 76 Stat. 188 (1962), 42 U.S.C. § 605 (1962 Supp.).

<sup>29</sup> *Frank v. Maryland*, supra note 16, at 365.

<sup>30</sup> *But cf. Flemming v. Nestor*, 363 U.S. 603 (1960).

<sup>31</sup> *Boyd v. United States*, 116 U.S. 616 (1886).

<sup>32</sup> *Harris v. United States*, 331 U.S. 145, 150 (1947); *United States v. Rabinowitz*, 339 U.S. 56, 63 (1950).

<sup>33</sup> 269 U.S. 20 (1925).

out a warrant. And such searches are held unlawful notwithstanding facts unquestionably showing probable cause."<sup>39</sup>

This case is the first of a series in which the Court expressed the view that a private dwelling has a special sanctity. In the case of a home, even if officers have good reason to believe they will find evidence of wrongdoing, it is unreasonable per se for them to enter without first obtaining a warrant. The Court adhered to this strict view in *Taylor v. United States*.<sup>40</sup>

In *Johnson v. United States*,<sup>41</sup> the Court had before it a case which on its facts was remarkably similar to the nocturnal calls of welfare investigators. At about 7:30 p.m. an officer of the Seattle police force received information from an informant that persons were smoking opium in the Europe Hotel. The police and narcotics agents, arriving at the hotel, recognized the smell of burning opium, which led them to room 1. They knocked, identified themselves as officers, demanded entry, and were admitted. The Supreme Court held that while the search would have been justifiable if made upon a warrant obtained from a judge, since it was in fact made without a warrant it violated the fourth amendment.<sup>42</sup>

In the recent case of *Chapman v. United States*,<sup>43</sup> the Court explicitly reaffirmed the views expressed in *Agnello*, *Taylor*, and *Johnson*. It then went further and declared that a rented dwelling has the same protection as one that is owned, even if the landlord consents to the officers' search of the tenant's quarters.

The authorities discussed show that inspecting the homes of persons receiving public assistance without warrants is, regardless of variations in circumstances, unreasonable and therefore illegal and unconstitutional. Plainly, no arguments based on necessity to enforce the welfare laws will justify the search without warrants of the homes of welfare recipients. Nor will any amount of information showing the likelihood of violation. On this question, the Supreme Court has been so clear and consistent that further citation of authorities is unnecessary. In sum, midnight welfare searches, as commonly practiced, are a flagrant violation of the 4th and 14th amendments.

#### II. THE SOCIAL SECURITY ACT AND THE RESPONSIBILITY OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

If the practice of searching the homes of public assistance recipients is unconstitutional, why has it continued so long? A major reason is that persons on public assistance are in no position to enforce a constitutional right of privacy. They lack the means and knowledge to litigate constitutional questions. And the available legal remedies are most inadequate. Until 1961 there was, for all practical purposes, no remedy whatever that could be invoked by a private individual whose home had been invaded in violation of the Federal Constitution. Since *Mapp v. Ohio*,<sup>44</sup> evidence obtained as the result of such an invasion has been inadmis-

<sup>39</sup> *Id.* at 32-33.

<sup>40</sup> 286 U.S. 1 (1932).

<sup>41</sup> 333 U.S. 10 (1948).

<sup>42</sup> Crime, even in the privacy of one's own quarters, is, of course, of grave concern to society, and the law allows such crime to be reached on proper showing. The right of officers to thrust themselves into a home is also a grave concern, not only to the individual but to a society which chooses to dwell in reasonable security and freedom from surveillance. When the right of privacy must reasonably yield to the right of search is, as a rule, to be decided by a judicial officer, not by a policeman or government enforcement agent. *Id.*, at 14.

<sup>43</sup> 365 U.S. 610, 613 (1961).

<sup>44</sup> 367 U.S. 643 (1961).

<sup>25</sup> 55 Cal. 2d 521, 11 Cal. Rptr. 537, 360 P.2d 33 (1961).

<sup>26</sup> 191 Cal. App. 2d 448, 12 Cal. Rptr. 681 (Dist. Ct. App. 1961).

<sup>27</sup> 191 Cal. App. 2d at 452, 12 Cal. Rptr. at 683.

<sup>28</sup> 151 A.2d 191 (D.C. Mun. Ct. App. 1959).

<sup>29</sup> *Id.* at 194.

sible in a subsequent State criminal trial, and it might also be held inadmissible in a hearing to revoke eligibility for welfare. But these remedies are strictly after-the-fact; they do not bar the searches. The only way to bar the searches is to refuse to admit the investigators, and in the present state of the law that means risking the loss of subsistence for the family.

These circumstances bring into sharp focus the question of national responsibility for the administration of those State programs which receive Federal aid under the Social Security Act. Are midnight searches compatible with the act? And does the Department of Health, Education, and Welfare have any power or responsibility with respect to such searches? In the absence of other effective means to enforce the constitutional rights of a large group of the poor and the ignorant, these questions are urgent.

#### A. Are illegal searches compatible with the act?

The Social Security Act provides for Federal-State cooperation in welfare programs. The programs are established and administered by State legislatures and State executives. To encourage the establishment of such programs, the Federal Government offers substantial financial assistance, both for subsistence payments and for administrative expense. To qualify for receipt of these Federal funds, however, the State programs must conform to specified Federal standards stated in the act. Interpretation of these standards, and application of them to State legislation, case-law, and administrative practice is the responsibility of the Secretary of the Department to which the particular program has been assigned—in the case of dependent child and similar benefits, the Department of Health, Education, and Welfare. On the basis of his periodic certification to the Secretary of the Treasury that a State program is or continues to be in conformity with the Federal standards, payments of Federal funds are made. If he finds a lack of or departure from conformity, they may be withheld.<sup>45</sup> It is uncertain whether his determinations are subject to judicial review.<sup>46</sup>

The standards set by Congress include matters of procedure and administration. For example, the Federal program of grants to State for aid and service to needy children contains detailed provisions as to how a State plan must be administered, including a requirement of fair hearings on denial of applications,<sup>47</sup> and safeguards for keeping confidential all information concerning applicants.<sup>48</sup> It is therefore clear that Congress has asserted the power to control at least some aspects of the administration of State plans, and that Congress has in fact concerned itself with questions of State procedure and administration. Against this background, the issue is whether the constitutional prohibition against searching homes must be recognized as one of the Federal standards to which the State plans must conform.

The Social Security Act itself does not contain any provisions with respect to search and seizure. This is not surprising; there is nothing about the Social Security Act, as distinguished from many other Federal stat-

utes, which would suggest that search and seizure problems might arise under it. But Congress has enacted legislation with respect to searching private homes in connection with the enforcement or administration of any Federal statute. Section 2236 of title 18, United States Code, provides:

"Section 2236. SEARCHES WITHOUT WARRANT.—Whoever, being an officer, agent, or employee of the United States or any department or agency thereof, engaged in the enforcement of any law of the United States, searches any private dwelling used and occupied as such dwelling without a warrant directing such search, or maliciously and without reasonable cause searches any other building or property without a search warrant, shall be fined for a first offense not more than \$1,000; and, for a subsequent offense, shall be fined not more than \$1,000 or imprisoned not more than 1 year or both."

This statute is unquestionably binding on the Department of Health, Education, and Welfare, and all of its employees. It also applies to all persons acting as agents of the United States, including officers of the District of Columbia. While it is doubtful that a State officer enforcing a Federal-State program is an agent of the United States, the spirit of the statute is a broad one.<sup>49</sup>

The fact that Congress dealt explicitly with the search of dwellings is of special significance. The protections of the fourth amendment include many matters other than the search of dwellings; arrests, seizures, and searches of places other than homes are covered. But Congress deemed the privacy of homes to be of such importance that it singled out the practice of searching dwellings to declare affirmatively that the enforcement of Federal law by use of this practice is a criminal offense.

Congress has sought to insure that no State welfare program be approved under the Social Security Act unless it meets Congress' standards. It requires little by way of implication to read the act so as to include, among essential Federal standards, a congressional policy against searching dwellings that is so specific in its object and so broad in its applicability. Certainly if a State program expressly listed searches of dwellings among its provisions for administration, it would be highly incongruous to hold such a program to be in compliance with Federal standards.

But even if Congress had enacted no statutes dealing with searches by public officials, the Constitution sets its own standards for the administration of federally assisted programs. For example, Congress could not assist a State welfare plan which was administered so as to discriminate against persons because of their race or religion.<sup>50</sup> Government funds may not be spent in a way that discriminates in violation of the Constitution.<sup>51</sup> This principle has been asserted in a recent Department of Health, Education, and Welfare memorandum holding that a provision of Michigan law limiting benefits available to dependent child beneficiaries

<sup>45</sup> State officials are subject to an entirely separate Federal statute prohibiting them, subject to Federal penalty, from enforcing any law, state or federal, by means that deprive people of their constitutional rights. This is the old Civil Rights Statute, 18 U.S.C. § 242 (1958), and at a minimum it shows congressional concern that State officials enforce their laws only by constitutional means.

<sup>46</sup> This was recognized by Judge Schweinhaut in *Arizona ex rel. State Board of Public Welfare v. Ewing*, Administrator of the Federal Social Security Act, Civil No. 2008-52, D.D.C., 1952, *aff'd* as modified *sub nom.* *Arizona ex rel. State Board of Public Welfare v. Hobby*, 221 F. 2d 498 (D.C. Cir. 1954).

<sup>47</sup> *E.g.*, *Burton v. Wilmington Parking Authority*, 365 U.S. 715 (1961).

was inconsistent with Federal standards under the act.<sup>52</sup>

The principle is not limited to violation of the Constitution by discrimination. It is equally plain, for example, that the Federal Government could not spend its money in support of a program that violated the first amendment. The underlying proposition is that Congress may not apply public funds to any plan or program that violates any of the provisions of the Constitution.

#### B. The Department's responsibility

In light of this principle, and in light of congressional policy on searches of dwellings, what is the power, and the responsibility, of the Secretary of Health, Education and Welfare with respect to a State welfare program administered by illegal inspections of recipients' homes? This question involves the Secretary's power to issue regulations governing federally supported state programs, or to disapprove programs that, in his judgment, do not conform to Federal standards.

The Secretary has general power to issue regulations under section 1102 of the Social Security Act.<sup>53</sup> With respect to State plans for aid to dependent children, his power is very specific; a State must "provide such methods of administration \* \* \* as are found by the Secretary to be necessary for the proper and efficient operation of the plan."<sup>54</sup> The word "proper" should be emphasized. In at least two instances the Secretary has recognized and exercised the power to disapprove State plans on grounds not explicitly set forth in the Social Security Act. He disapproved plans which deny aid to needy children on the basis of a suitable home eligibility condition,<sup>55</sup> and he rejected Michigan house bill 145 because of arbitrary discrimination in its plan of eligibility.<sup>56</sup>

These powers and precedents seem ample to support a ruling or regulation by the Secretary barring the practice of administering State plans by unconstitutional searches of recipients' homes. In the case of the "suitable home" requirements, cited above,<sup>57</sup> the Secretary disapproved the State programs because they imposed "a condition of eligibility that bears no just relationship to the aid for dependent children program."<sup>58</sup> For authority the Secretary had only the general purposes of title IV of the Social Security Act, and the general principle that it would be unjust to withdraw aid from children because of the nature of the home in which they live. But the Secretary found that, despite the absence of more specific statutory authority, he was responsible to see that Federal grants were made only with respect to State programs that carried out the general purposes of the act. In the case of Michigan house bill 145, also cited above, the

<sup>52</sup> Memorandum by Alanson W. Wilcox, General Counsel of the Department of Health, Education, and Welfare, entitled "Memorandum Concerning Authority of the Secretary, under title IV of the Social Security Act, to Disapprove Michigan House Bill 145 on the Ground of its Limitations on Eligibility." (March 25, 1963.) See also the statement of Secretary Celebrezze on this same subject, dated March 26, 1963.

<sup>53</sup> 49 Stat. 647 (1935), 42 U.S.C. § 1302 (1958).

<sup>54</sup> 53 Stat. 1379 (1939), 42 U.S.C. § 602(a) (5) (1958).

<sup>55</sup> Memorandum for The Commissioner of Social Security from Secretary Flemming, January 16, 1961.

<sup>56</sup> Statement of Secretary Celebrezze, March 26, 1963 (disapproving Michigan house bill 145 because of arbitrary discrimination).

<sup>57</sup> 49 Stat. 627 (1935), 42 U.S.C. § 602(a) (4) (1958).

<sup>58</sup> Memorandum for The Commissioner of Social Security from Secretary Flemming, supra note 57, at 2.

<sup>45</sup> 49 Stat. 628 (1935), 42 U.S.C. §§ 603-04 (1958).

<sup>46</sup> See *Arizona ex rel. State Board of Public Welfare v. Hobby*, 221 F. 2d 498 (D.C. Cir. 1954); *Indiana ex rel. State Board of Public Welfare v. Ewing*, 99 F. Supp. 734 (D.D.C. 1951), vacated as moot, 195 F. 2d 556 (D.C. Cir. 1952).

<sup>47</sup> 49 Stat. 627 (1935), 42 U.S.C. § 602(a) (4) (1958).

<sup>48</sup> 53 Stat. 1380 (1939), 42 U.S.C. § 602(a) (8) (1958).



Secretary reasserted the authority to disapprove programs on general grounds, and the general counsel said that the Secretary could unquestionably disapprove a program which appeared unconstitutional. He said: "It would appear self-evident that the Secretary might properly disapprove a State plan so discriminatory as to be unconstitutional under the 14th amendment."<sup>50</sup> It follows that the Secretary can also disapprove a plan that is unconstitutional under the 4th and 14th amendments.

If the Secretary has the power, what is his responsibility and duty? The Supreme Court has suggested an answer in an analogous situation. A State provided financial aid to a private restaurant. It had the power to prohibit racial discrimination by the restaurant as a condition of supplying the assistance, but it failed to exercise this power. The Court said, in words that apply forcefully to the Department of Health, Education, and Welfare in the present situation:

"As the Chancellor pointed out, in its lease with Eagle the Authority could have affirmatively required Eagle to discharge the responsibilities under the 14th amendment imposed upon the private enterprise as a consequence of State participation. But no State may effectively abdicate its responsibilities by either ignoring them or by merely failing to discharge them whatever the motive may be. By its inaction, the Authority, and through it the State, has not only made itself a party to the refusal of service, but has elected to place its power, property, and prestige behind the admitted discrimination."<sup>51</sup>

Thus if the Secretary permits Federal funds to be dispensed to States which use administrative methods that violate the Constitution, he permits the power, property, and prestige of the Federal Government to support such practices—practices which cannot effectively be contested by the unfortunate victims. In such circumstances, the Secretary's duty to exercise his power by prohibiting the unconstitutional practices seems both plain and unavoidable. Here, as in the case of racial discrimination, there is evidence of the increasing need for government to intervene affirmatively if rights guaranteed by the Constitution are to be secured in fact.

### III. A FURTHER QUESTION

Social security and public assistance are the heart of the welfare State. They recognize that in a complex industrial society individuals cannot always be blamed for inability to support themselves, and that responsibility for individual subsistence must be widely shared. But must the price of State support be the erosion of self-respect, and individual rights against government?

Welfare implies dependence. And dependence means that people may more easily be induced to part with rights which they would ordinarily defend. A not uncommon psychology leads those who dispense welfare to feel it only just that the beneficiaries give up something in return. To some public officials, opening one's home to inspection evidently seems a reasonable condition to impose on those whose homes are supported by a public agency. In many other ways, subtle, and obvious, the recipients of public bounty are made to pay a similar price. They may be asked to observe standards of morality not imposed on the rest of the community. They may be forced to endure official condescension and prying.

If the welfare state is to be faithful to American traditions, government must recognize its duty, even as it hands out bene-

fits, to preserve the independence of those it helps. In a complex society, individual rights are as much a community responsibility as food and clothing.

It is most unfortunate that the Social Security Act should have become a means, however indirect, for depriving some persons of the privacy guaranteed by the fourth amendment. The chief object of the amendment was to protect the home and, thereby, the integrity of every individual. The object of the Social Security Act was also to protect the home, and to protect independence and self-respect. It undoes the most fundamental purpose of the act if it is enforced by methods that violate the sanctity of the home and degrade and humiliate recipients. To insist that welfare officials obey the fourth amendment is no more than to insist that the high aim of the Social Security Act not be forgotten in the day-to-day difficulties of carrying it out; and to make certain that the act remains what it was, above all, intended to be—a guardian and insurer of the dignity of man.

### VALACHI TESTIMONY SHOWS NEED FOR TRUTH-IN-LENDING LEGISLATION

Mr. DOUGLAS. Mr. President, recent testimony before the Senate Permanent Investigations Subcommittee has shown that the criminal syndicate is financed in significant part by enormous—you might even say murderous—interest charges on underworld loans.

In his widely read column in the Washington Post, "The District Line," columnist Bill Gold recently commented on the widespread moneylending activities of criminal leaders who charge 200 percent or more a year with persuasive penalties for the delinquent borrower. Mr. Gold concludes that this testimony has "demonstrated the need for truth-in-lending legislation in dramatic fashion."

While S. 750, my truth-in-lending bill is not, of course, primarily designed to combat the criminal syndicate, nonetheless, it would provide a means by which the Federal Government could restrict the power of the syndicate. The main point is, as Mr. Gold suggests, that the underworld practice of usurious charges on loans is not so far divorced from the high and concealed interest rate practices commonly affecting the ordinary consumer. The consumer, in my opinion, is entitled to know the rate he is paying.

I ask unanimous consent that Mr. Gold's column of October 24 be printed in the CONGRESSIONAL RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

#### THIS KIND OF FRIEND YOU DON'T NEED

(By Bill Gold)

The news stories about Joe Valachi's moneylending activities mentioned an interest rate of 20 percent, but left me unclear as to details. The full text of Valachi's testimony is now available, and it spells out the enormity of this unsavory business with shocking clarity. Valachi would lend \$1,000, for example, with the stipulation that it be repaid at the rate of \$100 a week for 12 weeks.

The interest can therefore be stated as 20 percent of the amount loaned. But this

is quite misleading because interest terms are not usually stated in this manner. When we speak of 6 percent, it understood that 6 percent per year is meant. And Valachi's loans had to be repaid in only 12 weeks. So the true interest rate was far in excess of 20 percent.

Calculating rapidly in his head, Senator PAUL DOUGLAS, Democrat, of Illinois, figured the true interest rate charged by loan-shark Valachi as over 150 percent. With a pencil, I figure it at 160 percent. (If you're checking on us, keep in mind that the borrower does not keep the entire amount of the loan for the full term; he repays it in installments.)

But whatever the exact figure, it is clearly a horrendous price to pay for borrowing.

What's worse, other testimony presented to the committee dealt with loansharks who charged 200 percent or more per year, and in one case 340 percent. They demonstrated the need for truth-in-lending legislation in dramatic fashion.

Almost everybody borrows money at one time or another, whether to buy something like a house or a car or to raise cash for other purposes. So we're all affected by interest rates, whether or not we realize it. And very often we don't realize it.

Shortly after Valachi told of his loanshark business, I was discussing his testimony with a man I know. I expressed wonder that anybody could be desperate or stupid enough to pay interest rates of that kind.

"Yeah," my friend said. "You'd think a guy would realize he was being taken to the cleaners. Why, you'd never get out of debt that way. When I run short, I just go to a friend who works in my shop and he lends me \$10 until payday. I pay him back \$11, and I'm finished with him."

I tried to explain that this was 10 percent per week, or 520 percent per year, but I don't think the message got through. The last I heard, the man was still borrowing from his friend in the shop. I shudder to think of what interest rate his enemies would charge him.

### BOARD OF UNITARIAN UNIVERSALIST ASSOCIATION URGES ENACTMENT OF MEANINGFUL, COMPREHENSIVE CIVIL RIGHTS LEGISLATION

Mr. DOUGLAS. Mr. President, the board of trustees of the Unitarian Universalist Association of North America, on October 15, unanimously adopted a resolution urging the Congress to enact meaningful and comprehensive civil rights legislation. The resolution endorses the substance and intent of President Kennedy's proposal in the form of S. 1731, and urges especially that the Congress enact a public accommodations feature which will "cover all establishments, of whatever size," and additions to the bill providing for "a permanent Fair Employment Practices Commission" and part III authority in all cases where Americans are denied their constitutional rights because of race or religion.

This encouraging further evidence of public support for strong and effective civil rights legislation is representative of the deep moral concern on this issue held by the vast majority of Americans. I was pleased to receive notice of this resolution from Dr. Dana McLean Greeley and I ask unanimous consent that his letter and a copy of the resolution be printed in the RECORD.

<sup>50</sup> Statement of Secretary Celebrezze, supra note 56, at 2 n.1.

<sup>51</sup> *Burton v. Wilmington Parking Authority*, 365 U.S. 715, 725 (1961).

There being no objection, the letter and resolution were ordered to be printed in the RECORD, as follows:

UNITARIAN UNIVERSALIST ASSOCIATION,  
Boston, Mass., October 23, 1963.  
HON. PAUL H. DOUGLAS,  
Senate Office Building,  
Washington, D.C.

DEAR MR. DOUGLAS: It is my duty and privilege to report to you at once action taken by the board of trustees of the Unitarian Universalist Association (of North America) in regard to President Kennedy's civil rights legislation.

Our board of trustees acting upon the precedent and in the context of many denominational resolutions and expressions of convictions in the past, voted unanimously at its meeting on October 15 to urge adequate legislation at once. I do not need to say that this action is without any political bias on the part of our board and association, or that it seems to us to be entirely in accord with our belief in the principle of human brotherhood. We feel strongly that this legislation is a necessary tangible expression of our faith in human brotherhood.

We urge your support, for the sake of the people involved, for the sake of the integrity of our Nation, and for the sake of the image of America in the eyes of the world.

With cordial good wishes,

Sincerely yours,

DANA McLEAN GREELEY,  
President.

RESOLUTION ADOPTED BY THE BOARD OF TRUSTEES OF UNITARIAN UNIVERSALIST ASSOCIATION ON OCTOBER 14, 1963

The board of trustees of the Unitarian Universalist Association, recognizing the seriousness of the deep racial crisis which has gripped the United States in recent months and weeks, and reaffirming the traditional concern of Unitarians and Universalists for the supreme worth of every human personality, the dignity of man, and the use of the democratic method in human relationships, respectfully urges that the Congress of the United States enact meaningful, comprehensive civil rights legislation to redress the legitimate grievances of the Negroes and members of other minority groups.

To this end, we endorse the substance and intent of H.R. 7152 and S. 1731 to strengthen voting rights, make discrimination in public accommodations unlawful, speed public school desegregation, establish a community relations service to mediate racial disputes, extend the life of the U.S. Commission on Civil Rights for 4 years and give it added responsibilities, authorize withholding of Federal funds from programs that are administered in discriminatory fashion; and establish as a permanent commission the President's Committee on Equal Employment Opportunity.

We urge especially that the Congress erase the humiliation which accompanies the members of minority groups when they are refused accommodation or service in hotels, motels, restaurants, business establishments or places of amusement, and that a public accommodations law cover all establishments of whatever size.

In addition, we urge that amendments be made to the bill to add a permanent fair employment practices commission to cover hiring, firing and promotion in all types of employment and membership in labor organizations engaged in interstate commerce. And, further, that the bill be amended to give the U.S. Attorney General power to bring civil suits in all cases where Americans are denied their constitutional rights because of race or religion.

The civil rights program before the Congress represents minimal objectives at this critical point in our Nation's history. One

hundred years after the Emancipation Proclamation, the American Negro finds that in education, in employment, in housing, in the exercise of his rights of citizenship, he is still a second-class citizen. The Congress should therefore act this year to bring to fulfillment the promise of the Emancipation Proclamation.

#### NEBRASKA SITUATION HIGH-LIGHTS NEED FOR TRUTH IN LENDING

MR. DOUGLAS. Mr. President, last Wednesday's Wall Street Journal contains a front-page story disclosing that \$1 billion of consumer loans in the State of Nebraska have been declared to be usurious. The Nebraska Supreme Court recently ruled that all installment sales on which the consumer was charged a finance or interest rate in excess of 9 percent were usurious—the Nebraska usury limit being 9 percent per year. Of course, the effect of the Nebraska Supreme Court ruling is that credit sellers in the future cannot legally charge more than a 9-percent interest rate. More important, however, is the comment in the Wall Street Journal that on installment purchases credit sellers in Nebraska almost always charge an interest rate of more than 9 percent per year.

This Nebraska episode dramatically illustrates the need for the truth-in-lending bill which is now pending before the Senate Banking and Currency Committee. The truth-in-lending bill would require all lenders and credit sellers to truthfully and accurately disclose the finance charges and interest rates which are assessed for consumer credit transactions. I am sure that many, if not most, consumers in Nebraska will be surprised to learn that they have been paying—in almost every case according to the Wall Street Journal—a finance or interest rate in excess of 9 percent per year.

I feel confident that lenders would not have been so emboldened as to risk wholesale violation of the usury law in Nebraska if consumers, borrowers and buyers had known all along that their personal credit was costing them as much as 18 to 25 percent per year in interest on the purchases of used cars, as much as at least 18 percent for department store revolving credit, and sometimes in excess of 50 percent for department store credit. Indeed, even the standard rate charged by lenders for FHA-insured title I repair and modernization loans of 9½ percent per year is in excess of that permitted by the Nebraska antiusury law.

If the annual interest or finance rate had been disclosed on this \$1 billion of personal debt, borrowers and lenders would have been immediately aware that the rate of interest charged was in excess of the 9 percent permitted by Nebraska laws.

Mr. President, I do not attempt to pass judgment on what is a fair interest rate for consumers to pay in Nebraska or any other State. However, I do think it is revealing that, according to the finance industry itself, borrowers in Nebraska almost always pay more than 9 percent interest rate per year. I believe that

every borrower and buyer has the right to know the credit charges and interest rates he will pay on any consumer credit transaction. This is what the truth in lending bill would require.

Mr. President, I ask unanimous consent that the article from the Wall Street Journal be printed in its entirety immediately following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEBRASKA COURT RULES \$1 BILLION IN TIME SALES SINCE 1959 WERE ILLEGAL—IT CALLS THEM USURIOUS LOANS; SOME BUYERS KEEP PRODUCTS, SUE TO GET PAYMENTS BACK

(By Kenneth G. Slocum)

LINCOLN, NEBR.—Are installment sales illegal?

In Nebraska, most that have been made since 1959 apparently are. And a State supreme court decision last week apparently means that no future time sales can be made in the State, unless they specify installment payments at what retailers and finance companies would regard as a very low rate of interest.

So Nebraskans who since 1959 have bought about \$1 billion worth of cars, washing machines, and other goods on monthly payments face an alluring prospect: They can keep the goods without making the payments. In fact, about 200 have filed suit to get back from the sellers their downpayments and any installments they may already have paid. In one case a Lincoln couple that ordered some \$18,000 worth of equipment from a Chicago firm early this year to set up a coin-operated laundry is skipping its monthly payments and suing to get its \$500 downpayment back, while keeping the equipment.

What brought about this situation? Ironically, the desire of Nebraska's consumer-finance industry to get installment sales covered by a specific law.

#### DOCTRINE OR LAW?

Before 1959, Nebraska, like many other States, had operated under a time-sale "doctrine" that consisted of precedents set in court decisions, but not formalized by a legislative act. The doctrine permitted time sales even when the difference between the price the buyer would pay in installments and the price he would have paid in a straight cash sale exceeded the 9-percent rate limit set by State usury laws. The theory was that the seller was being compensated for having to wait to collect the full price and experiencing higher costs than he would in a straight sale, and the compensation for this was not an interest charge.

But retailers and finance companies, anxious to formalize time-sale procedure and to set maximum rates on installment sales, in 1959 got the Nebraska Legislature to pass a specific time-sale law. This permitted the time-sale price to exceed the cash-sale price by as much as 15 percent on some auto sales, and by as much as 12 percent on other types of merchandise, based on a 1-year payment period. It also touched off a series of State supreme court decisions that have thrown the industry into chaos.

In a test case in June, the court ruled that the wording of the 1959 act made the portion of a time-sale price to be paid in installments a loan of money to the buyer, and the difference between a time-sale price and a cash price was termed to be interest. Moreover, it ruled the legislature acted unconstitutionally in permitting such interest to be set at more than the 9 percent general usury limit. Though the State constitution, allows the legislature to set maximum interest rates, it forbids doing this in special laws—that is, laws not applying to everyone. The court found the 1959 act to be such special legislation, since it applied only to retail sales,



not to manufacturers' and other wholesale sales.

#### PENALTY FOR USURERS

The effect of this decision was to brand as usury all time sales made under the 1959 act at more than 9 percent interest—which, Nebraska finance men say, means nearly all times sales made under the act. And though the usury may have been unintentional, it still carries a penalty: The buyer can keep the goods and the usurer can't collect.

In later decisions, the court has hammered home the point. Last week it struck down a time-sale law hastily passed by the legislature in July to replace the 1959 act. Though the new law changed some wording, the court found it still amounted to unconstitutional special interest-rate legislation.

In an intermediate decision, the court went further to strike, seemingly, at the whole legal basis of a time-sale doctrine. In that decision, involving General Motors Acceptance Corp., the court ruled that "regardless of the term used" the difference between a time-sale price and a cash price is a charge for the loan of money or for forbearance of a debt and therefore, disguise it as we will, it is and remains interest.

The controversy these decisions have set off "not only can but probably will spread into other States," predicts Marvin R. Werve, vice president in charge of consumer credit at the Omaha National Bank. Lawyers note that 36 other States have some form of time-sale doctrine or law. But at least three of these—Missouri, Washington, and Wisconsin—have constitutional provisions identical to Nebraska's, prohibiting "special" laws setting interest rates, according to Max A. Denney, executive vice president of the American Finance Conference, an organization of sales finance companies.

Whether it spreads or not, the controversy is having bombshell effects in Nebraska. The legislature currently is meeting to see what it can do to clarify the situation. But, since last week's court decision killing its latest time-sales law, Governor Morrison has advised the legislature not to try to write any more time-sales laws, apparently since no one now can imagine one that the Supreme Court would uphold. Instead, the Governor has advised the legislature to attempt only to clarify the State's general interest laws.

One idea that has come up is to raise the usury limit to 12 percent. This would allow retailers and finance companies to collect on future installment sales something close to what they had been collecting. But it would not help those now holding apparently worthless time-sale paper written under the 1959 act. "We've already handed down an opinion to the effect that you can't breathe new life into a void contract with legislation," says Robert A. Nelson, a special assistant to Nebraska's attorney general.

About the only thing that will help these people, it seems now, is a possible feeling among customers that it would be unethical to press for return of money paid on time sales, or to stop payments on outstanding time-sale debt, because the sales were made in good faith (a point the State supreme court concedes). Some retailers and finance companies find it encouraging that, in an earlier case in which one lender's time-sale paper was found illegal, 80 percent of his debtors paid their installments anyway.

#### TERRIBLE TERRY'S ROLE

But a number of Nebraskans obviously feel there is nothing unethical about trying to get back the money they paid on time sales while keeping the goods. One is Terry Carpenter, a State senator best known outside Nebraska for his attempt to nominate a fictitious "Joe Smith" for Vice President at the 1956 Republican National Convention. Inside the State, he is known to finance companies as "Terrible Terry" because of his lack of sympathy for our problems."

Mr. Carpenter says he bought two cash registers for about \$7,000 from National Cash Register Co., Dayton, Ohio, and has paid some \$1,300 on them. He currently is suing, not only to keep the cash registers and get back the \$1,300, but to collect interest for the period the company held the money. His suit, he says, also is on behalf of all persons who bought National Cash Registers and other office machines since 1959, and on that basis could involve more than \$10 million.

Mr. Carpenter contends there is nothing unethical about this. He says retailers and finance companies were warned by some legal sources in 1959 that the time-sale act they were pushing then might be unconstitutional, and should now take the consequences of disregarding this advice.

If suits by such people as Mr. Carpenter and the Lincoln couple succeed, it is unclear who would pay back the money—the sellers who originally wrote time-sale contracts or the finance companies that bought most of them. It would depend, lawyers say, on what agreement the two might make and what attitude the courts take.

#### LIMIT ON NEW SALES

Meanwhile, new time sales in Nebraska can be made only at 9 percent simple interest. This parallels the situation in Arkansas, which threw out a time-sale law 10 years ago. Sears, Roebuck & Co. says it since has made all its Arkansas time sales at 10 percent simple interest, the maximum rate permitted by that State's usury laws.

Simple interest rates are lower than they look because simple interest is figured as a percentage of the average amount of debt outstanding while the debtor is making his payments. A time-sale contract specifying financing charges of 6 percent of the purchase price would be imposing close to 12 percent simple interest, since the buyer would constantly be reducing his outstanding debt.

In Nebraska, the effects of the limit have been severe. James Talcott, Inc., a big New York financing firm, withdrew its "substantial" time-sale financing operations from the State after the 1959 law was struck down, says Oran Hark, a vice president. Earlier it had financed time sales of construction equipment, among other things. International Harvester Credit Corp. has not yet ended its Nebraska financing of farm machinery sold by its parent corporation, says Herman Ebsen, president, "but if favorable legislation is not passed, we'll take another look at it."

There are some indications the Nebraska economy is suffering. New car sales in August dropped 9 percent below the 1962 month, the first decline in 1963, and auto men say used car sales have fallen much more. Appliance sales at Sol Lewis Co., an Omaha store, have dropped 10 percent since the supreme court decisions, "mainly because no one is willing to finance the marginal buyer at 9 percent simple interest," says Mitchell Lewis, treasurer.

#### SALE OF WHEAT TO RUSSIA

Mr. PELL. Mr. President, I would like to direct our attention to an editorial which was published recently by the *Westerly Sun* in *Westerly, R.I.*, and which pertains to the possible sale of U.S. wheat to the Soviet Union.

I have supported such an undertaking on the grounds that by selling wheat and other "soft" consumer goods to Russia and nations dominated by communism for "hard" currency we would be diminishing Communist resources to conduct aggressive policies against us. This editorial emphasizes that "any drawing together on common ground without

sacrifice of our freedom or ideals is to our advantage because such contacts lessen the danger of war."

Mr. President, I believe this editorial is worthy of our consideration, and I ask unanimous consent that its full text be printed in the *RECORD*.

There being no objection, the editorial was ordered to be printed in the *RECORD*, as follows:

#### RUSSIA NEEDS WHEAT

The Soviet Union's great need for wheat to make up short domestic supplies has now been clearly set forth by Premier Khrushchev himself. He has told the Soviet people, in a speech that took up 3 pages of *Izvestia*, that this year's disastrous harvest has made it necessary to buy millions of tons of wheat from the West.

The Khrushchev speech was the final step in the process of gradually letting the people in on the dismal news. The best that he could say about the situation was this: "On condition that we economize on bread, the resources we have will be enough to supply normally the population of the country." He evidently included, in "the resources we have," nearly 10 million tons of wheat bought from Canada and Australia.

Whether the Kremlin also would like to buy some U.S. wheat has not yet been made clear. The chances seem good that Russia will seek more wheat somewhere, possibly from this country. Soviet needs are proportionately greater than ours, because per capita bread consumption is over 400 pounds a year, about four times the U.S. figure.

The extent of the Soviet need may encourage some feeling in this country that this is all the better reason to withhold our wheat. It may be argued that to sell wheat to Russia, under such circumstances, would be aiding the enemy. This is a narrow view of the situation, rooted in the idea that the only way to deal with the Soviets is to hold them at daggerpoint and beat them when it comes to war.

On the contrary, any drawing together on common ground without sacrifice of our freedom or ideals is to our advantage because such contacts lessen the danger of war. Selling Russia wheat when she needs it might be one of the best steps we could take in the direction of improving the climate for East-West agreement.

#### RAIL PASSENGER SERVICE

Mr. PELL. Mr. President, in this time of decision and debate in the area of Federal regulation of the transportation industry, it is reassuring to hear fresh thinking and informed analysis emanating from the regulatory agency which is most intimately concerned. In this connection I would like to call the attention of the Senate to a very interesting speech entitled "Rail Passenger Service?" by Commissioner William H. Tucker of the Interstate Commerce Commission, delivered October 7, before the joint meeting of the American Association of Passenger Traffic Officers and American Association of Railroad Ticket Agents, at Miami Beach.

Commissioner Tucker gives a graphic description of the plight of our present rail passenger service, of the aging and obsolete equipment now in service and of the low rate of investment in research and development. At the same time, however, the Commissioner clearly sees an important and necessary role for the railroads in the crowded society of the future and he calls for innovation and

new ideas on the part of rail management, Government, and everyone concerned to meet the needs to come.

This approach coincides with my own thinking. It was against this same background that I introduced in the 87th Congress, and again this year, my proposal for an interstate authority to operate high speed rail passenger service between Washington, D.C., and Boston. This proposal has prompted a comprehensive study of all transportation in the highly populated megalopolitan corridor of our Northeastern States, and that study is now in full progress within the Department of Commerce. We hope to get the results by the middle of 1964.

I commend Commissioner Tucker for making this clear and incisive statement on this important matter and I ask unanimous consent that his speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADDRESS BY COMMISSIONER TUCKER

# I

Rail passenger service? Do we need it? What is its future? Let's start on these questions by briefly acknowledging the darker side of the present picture.

No railroad passenger man nor the general public needs to be told that railroads providing passenger service have their problems. Even those who generally predict a brighter picture for the common carrier as a consequence of governmental and transportation industry efforts of recent months have to admit that this progress will not substantially "rub off" on railroad passenger service. More pessimistic observers count the years of the life expectancy of intercity rail passenger service on the fingers of both hands and many are already pigeonholing rail passenger travel as a vestige of a bygone era along with the horse and buggy.

A quick glance at the huge deficits piled up each year, or at the absolute decline in passenger miles in the past 20 years, despite the increase in total intercity travel, is enough to assure most observers that passenger travel by rail is no breadwinner. Add the glamour of air travel, improved bus service, the American's insatiable, and sometimes incomprehensible, urge to drive his own car, and the future of rail passenger service seems even more bleak.

I'm sure that most of you will not accept passively this image of future railroad passenger service. At the same time I cannot truthfully say to you that your diligent efforts in improving service alone can solve this problem.

Adequate rail passenger service is, in my opinion, a vital and necessary requirement for many years ahead. While no one can give you an exact formula for assuring the future of rail passenger service, I would like to explore the present need for such service and some of the possible avenues which will improve its competitive posture.

# II

Several years ago the Bureau of Public Roads completed a study of passenger travel. This study revealed that from 1929 to 1956 the national economy reflected a 121-percent increase in gross national product. This growth was far outstripped by a 300 percent increase in automobile passenger miles. During the same period common carrier passenger miles rose by 84 percent. Although this gain was less than the economy's growth rate, it surpassed the 38 percent population increase.

While the reliance on the automobile has continued to increase to the point where 90

percent of all intercity passenger traffic now moves by private car, the tremendous increase in tourist and business expenditures still provided the common carriers with an increase of approximately 47 billion revenue passenger miles in 1962 over the 1935 level. In 1962, intercity buses accounted for 13.1 billion and the trunk airlines for 31.5 billion revenue passenger miles of this new traffic. Unfortunately, the railroads' share of this total gain was only 1.4 billion miles.

The changes in travel habits have not grown evenly in the years since 1935. Both rail and bus passenger service hit an all-time high during the war years. Subsequently, rail and bus passenger service hit an all-time peak of 97.7 billion passenger revenue miles, in 1944; although losses have been very gradual in recent years. Bus travel tapered off slowly after 1945, to 19.7 billion in 1961; and then climbed to 21 billion last year. Trunk airlines jumped from 1 to 7.8 billion in the forties and quadrupled in the next decade.

Looking at the three modes in terms of net income, I see some hope in the fact that the rail passenger deficit has been cut from its 1957 high of \$723,670,000 to \$394,277,000 last year. These savings, however, have resulted, to a large extent, from the large number of discontinuances and abandonments of rail passenger service, particularly after this course of action was stimulated by the Transportation Act of 1958. Whatever optimism might be encouraged by the decrease in the annual passenger deficit must be tempered by the realization that the drop in revenue passenger miles has been fairly proportionate to this deficit decrease.

Net income of the intercity bus industry has increased markedly during the past 8 years. With the exception of 1960, the industry has increased its net income annually. Last year's \$42.4 million was almost a 180-percent gain over 1955. But a substantial portion of this new revenue has been the result of more charter trips and express carried.

Despite the rapid increase in air travel, net income for the trunk lines has failed to equal its 1955 high of nearly \$63 million. Last year the trunk airlines showed an \$8.3 million profit. Even this small margin was a distinct improvement over their \$34.5 million loss for the previous year. In 1960 the trunk airlines barely broke even with a profit of \$68,000. These profit fluctuations can be traced, in part, to the periodic variations in equipment outlays, safety records, and the general financial outlook in the business community inasmuch as business travel supplies a large part of the trunklines' revenues. Nevertheless, the figures emphasize that the Nation's trunk airlines as a whole are not extremely profitable despite the large increase in traffic.

Perhaps, the bleak rail deficit picture and the rapid rate of growth of private automobile traffic as one of its real competitors have contributed more to the predictions of the demise of rail passenger service than anything else. A major effort to rejuvenate railroad passenger service, therefore, cannot be confined to examining the present and past travel trends with the financial records of the other two forms of common carriers.

Without underplaying the significance of these (now static) facts, I believe that it is much more important to evaluate the future need for rail passenger service. By 1970, the Bureau of the Census has estimated that the U.S. population will total between 209 and 214 million. The population for 1980 should be between 246 and 260 million.

While estimates of probable intercity passenger miles at a future date lack statistical precision, the Bureau of Public Roads has predicted that intercity travel could increase by 58 percent in 1970 and 133 percent in 1980 over 1961 levels.

This same study foresees a continuing relative decline in travel by common carrier. However, its traffic projections for common

carriers still would result in a 30 percent increase by 1970 and nearly 50 percent by 1980 over the intercity passenger miles reported by all common carriers in 1961. I should add that I have read other studies which have been much more optimistic about the future use of common carrier service. Tourist and business expenditures for intercity travel are still rising far faster than the general economic growth. There will be more elderly people, who prefer not to drive, traveling during their retirement years. If the railroads can capture only 2½ percent of all the traffic generated, which is approximately their present proportion of all intercity traffic, in the next two decades, they can more than double their present total of revenue passenger miles.

# III

Let's look at the future through the eyes of those members of the public who rely almost exclusively on their own car for intercity travel. Giving due regard to the need for the development of new highways, I shudder to think about having seven cars moving tomorrow where three travel today. Without rail passenger service, we will have to build so many highways to accommodate this flood of vehicles that the most densely populated areas of the Northeastern States and parts of the west coast may have more public concrete than taxable land.

With forecasts predicting 2 new vehicles on the road for every 3 additional Americans, 100 million cars will be registered by 1975. Approximately half of all the mileage covered by these cars will be moving over the 10 percent of this Nation's thoroughfares which are in metropolitan areas. All these cars lined up bumper to bumper could circle the Equator 15 times. Measuring by the foot, Detroit is turning out cars much faster than we can build new streets and highways.

The large metropolitan areas are the first places to feel the effects of this accelerating worship of private transportation. As quick access to the cities becomes more difficult, the cultural and business sectors of these communities will continue to pack up and head for outlying areas. This is urban sprawl and the main cure for this disease is adequate transport facilities. The cities, in turn, will try to stem this tide by building bigger and better expressways. This will result in less available office and housing space and higher taxes and, as a consequence, even more businesses and people will head toward the suburbs.

The city of Los Angeles found that peak-hour traffic was increasing annually by 35,000 vehicles. As a solution the city embarked on a stepped-up freeway program. With the initiation of such a program, city traffic officials discovered that they were constructing 6 miles of six-lane freeway each year. However, to meet the influx of new traffic, the city would need 30 miles of six-lane freeway each year. Some transport and urban planners forecast that, as the present rate, the future highway program of this city will cover so much land that the taxpaying property will be barely sufficient to meet the basic community services.

If the same percentage of the public stanchily clings to the steering wheel, it is obvious that some cities will be transformed into highways and parking lots. For example, if all the travel in New York City was reliant upon private automobiles, then all of Manhattan below 50th Street would be filled with multistory parking garages.

While the urban dwellers look at their clogged highways as a problem which reaches its greatest proportions during rush hour commuter traffic, most city planners and transportation experts see two separate transportation problems—commutation and intercity travel. Rush-hour traffic jams present more immediate threats to the public but the intercity crisis is as real if not quite so obvious to the general public.



As the suburbs stretch farther and farther into the hinterland, the average commuter gets up earlier and gets home later. The 40-hour week was considered a tremendous social and economic advance over the 60-hour workweek of several decades ago. Does the average commuter get to use most of this extra time? I doubt it. He travels farther each year, finds more of his associates on the highways, and pokes along on these superhighways, often at about 20 miles per hour. At the present rate of automobile registration and urban sprawl, Clarence Commuter will soon be spending more time commuting and working than his grandfather did.

I am convinced that more commuters will have to turn to rail service for the longer commuter trips to the city. Moreover, reduced accessibility to the cities will affect intercity travel and place a premium on that form of transportation which will be economical, time-saving, and efficient. In my opinion modernized rail passenger service can provide this service at the lowest economic and social cost in many areas, particularly in the short to medium distance trips.

If this potential market for passenger transportation exists and an effective solution cannot be found by a greater reliance on private transportation, the answer must be supplied by the common carrier.

There is no question but that we need technology more than concrete if we are going to alleviate this highway movement problem. And we need this technology right now. It is possible to foresee tremendous changes in the not too distant future such as electronically controlled highway movement. But even this doesn't spell the end for rail passenger service. Moreover, what are we going to do in a transition period that could last a generation?

#### IV

The establishment of an efficient and economical rail passenger system that does not pile up huge deficits is obviously not an easy task. Since 1930, except for the war years, the railroads have regularly ended up in the "red" on their passenger service. This fact alone has given support to those who talk of eliminating all rail passenger service in the East. Perhaps this move would help to solve the railroads' problems, but it surely would not solve the ever-increasing transportation troubles of the public.

There have been many suggestions about developing a marketable package for railroad passenger service. I am not about to suggest that the rail industry can solve this problem alone. Rehabilitation of rail service, both commuter and intercity, will need further assistance; assistance from the Federal Government and assistance from State and local governments. While some types of rail trips can be put on a pay-as-you-go basis, others will require external relief in the form of legislative changes, subsidies, loans, tax relief, or, as yet undevised, governmental props. If the unprofitable routes are the best method of transportation when compared to the total social and economic costs of alternative methods, the localities involved and the general public in their own interests should insist upon, and assist in, their development as a desirable public service.

During the past 2 years, there have been many developments which appear to offer significant aid toward the need for healthy rail passenger facilities. In my opinion, these are hopeful steps in the right direction; and necessary if rail passenger service is to reach its full potential. Although I have no pat solution for all the perplexities facing rail passenger service today, I would like to discuss some of the most promising approaches.

#### V

One of the essential ingredients of improved passenger operations is the development of better equipment and services at economical rates. Modernization of passenger trains and terminals is long overdue. Having spent most of my life in the Northeast, I have not been fully cognizant of the more adequate and profitable passenger service offered elsewhere in the country. However, while there are some exceptions, the average for all U.S. railroad passenger service, equipment, and financial stability, is, to say the least, unimpressive.

According to the latest figures, 58.5 percent of the passenger cars are over 30 years old. Only 3.9 percent are under 6 years old. I know that you have been hearing about the advances being made to improve terminals, to offer better car service, and to provide a host of other technical and service benefits to your clientele. I have read about the steps being taken to offer better service in the proceedings of your last convention, and I realize that many other encouraging changes have recently been made. Nevertheless, we still have a long way to go before the general public apathy toward rail service can be substantially overcome.

One of the most promising signs in this area is the recent self-criticism of rail passenger service from those affiliated with the industry. This recognition of weaknesses and the impetus given to research and innovation is heartening. Last August the National Academy of Sciences report, "Science and Technology in the Railroad Industry," by a group composed, in part, of rail people, concludes that the industry has failed to explore fully all scientific and technological opportunities. A similar criticism of the lack of research, innovation and modernization was also made in a study released by the Railway Progress Institute a year ago.

The Research Institute proposed by the National Academy of Sciences report could possibly be another shot in the arm for updating rail passenger service, providing that the individual railroads are willing to lend their full cooperation.

Fare experimentation in rail passenger service has been recently dramatized by the announcement of the two Canadian railroads to cut fares by as much as 58 percent. Although not as eye-catching, the Boston commuter experiment on the Boston & Maine and the New Haven has been favorably received by the general public. In January the Boston & Maine added 178 commuter trains on 7 lines in the metropolitan area and dropped fares by 30 percent. The New Haven subsequently joined the demonstration project. Under the terms of the contract between State and railroad officials, the Federal Government through the Housing and Home Finance Agency and the Commonwealth of Massachusetts will pay the railroads over \$3 million to help finance this experiment.

The Boston pilot study is allowing the railroads to experiment with various types of schedules, fares, and services in order to explore the various facets of the potential for rail passenger service. I am hopeful that similar projects can be initiated to test the potentials for other markets. The increased rush-hour patronage, the decline of highway traffic congestion, and the marked increase in patronage during the offpeak hours certainly suggest that this may be a successful prototype for other areas.

I do not want to convey the impression that devising a better cost-service package is the basic solution to the passenger dilemma. On the contrary, many other forms of assistance are required from external sources. Nevertheless, technological and service improvements must be made at an accelerated pace. Today, the railroads are spending only \$7 on research out of every \$10,000 received from gross operating reve-

nues. One railroad, alone, accounted for 33 percent of the total; 5 railroads were responsible for 60 percent of the total; and 70 percent of the 103 class I railroad reported no research and development expenditures at all.

#### VI

The second main source of help must come from those local and State governments of areas which require the preservation of passenger service. These bodies represent the general public and it is the general public who is going to be hit the hardest by the eventual cessation of rail service if passenger deficits continue to undermine the health of all rail operations. While the railroads must conduct their business in the interests of the public, it is unrealistic to believe that they can offer unprofitable services year after year.

In the longrun rail passenger deficits, without public assistance, must be made up through freight rate increases. If passenger service is to be subsidized, should it be done by the general public, or the freight shipper? To meet the increased freight competition by motor carriers, water carriers, and pipelines, rail rates have been lowered. A general decrease in profits from rail freight operations indicates that freight revenues can no longer pay for passenger deficits in many areas.

Relief from burdensome taxes is one direct way for States and cities to aid the railroads. In the *Railroad Passenger Deficit* case, 306 ICC 462, the Commission found that it took 12.8 percent of passenger revenues to meet taxes.<sup>1</sup> With the upward spiral of property taxes in metropolitan areas, partially due to the removal of highway rights-of-way from the tax rolls, immediate measures must be initiated to lessen the costs of maintaining rail facilities in densely populated areas.

Another related source of relief is the removal of inequitable tax assessment ratios which have discriminated against railroad property. All too often, it seems, that localities have attempted to bleed the railroads as possessors of "deep pockets." Many critics of high rail taxes also claim that local resistance to abandonments, trail discontinuances, and consolidations has stemmed basically from the desire to keep railroad tax payments flowing in. This at least appears to minimize tax burdens on other industries and the public.

Local or State subsidies constitute a third form of assistance such as in the Boston experiment. More extensive provision of equipment loans, and the provision of publicly supported terminal facilities at low cost rentals have also been introduced to place passenger service on a sounder financial footing.

Finally, State and local governments, where it becomes necessary, could assume ownership of lines and lease the trackage as has been done with part of the Rutland Railroad. The Staten Island presents another variation of this form of assistance where the line was leased to the city of New York and operated by the B. & O. as agents of the city.

On a nationwide scale this type of solution has resulted in renewed interest in the development of a National Railroad Passenger Service Corporation, which has been proposed to place all rail passenger service under the single control of a private or public corporation. This idea has been outlined in many different ways and will require additional research and discussion before any final conclusion can be drawn.

More local, but similar, programs are also under study in Philadelphia and the tri-State area of New York, Connecticut, New

<sup>1</sup> In comparison, the corresponding percentage of freight revenues assigned to that service was 8.9 percent in 1957.

Jersey, to mention but a few examples. Increasing cancellations of passenger schedules, coupled with findings of many planners that rail service is vital to an efficient transport complex, have accelerated the extent of assistance offered by State and local governments. More help is immediately needed, for unless the public supports State and local assistance, the number of passenger discontinuances will continue to mount.

#### VII

The need for governmental assistance exists at the Federal level as well. Repeal of the 10-percent Federal excise tax, depreciation guidelines geared to hasten equipment modernization, and expansion of the transportation research programs are the principal recent developments and they indicate a growing awareness of the magnitude of the passenger problem and a greater willingness to provide assistance. The Transportation Act of 1958 included a provision which has facilitated the reduction of those unprofitable passenger trains which were not required by the public and which placed an undue burden on interstate commerce. Aid to passenger operations from State and local governments also has been stimulated somewhat by the Federal Government.

Without infringing upon the responsibilities of States and cities to influence their own transportation systems, the Housing and Home Finance Agency has financed, in part, a number of passenger experiments utilizing various types of common carriers. The urban mass transportation bill has been passed by the Senate and is awaiting action in the House. Here again I can see greater emphasis on a coordinated transport system as well as a recognition that funds must be made available for equipment and facilities. Piecemeal consideration of transportation programs exclusively directed toward either buses, private automobiles, highways, airports, or rails must inevitably produce excess capacity, inefficiency, and, of great importance, increased costs of traveling to the general public.

The Department of Commerce is conducting a comprehensive analysis of the transport problems in the Boston-Washington corridor as a result of a proposal by Senator FELL of Rhode Island. This study is attempting to determine the future demand for all types of transportation, although the principal emphasis is being placed on passenger service.

An adequate and efficient transport complex cannot be developed without this kind of comprehensive research. This "Megapolitan Study" will include analyses of the kinds of improvement for rail passenger service which can economically be utilized to meet the demand for intercity passenger travel between now and 1980.

Another study is examining the country's passenger and freight requirements for a national emergency. While the public is informed about the tremendous contributions that the railroads made during World War II, there may be a lack of realism in the belief that railroads must maintain a reserve capacity to meet all defense requirements from profits gained solely from normal traffic revenues. If our country's defense needs will require the preservation of rail facilities which cannot be used for normal business, and which may place the railroads on the brink of bankruptcy, then I believe it is not only unfair but bad economic policy to make the industry, and ultimately the shippers, foot the entire bill for these national needs.

If State and local tax reforms and concessions are made, the Congress should consider legislation to make this new revenue source free of income tax until passenger deficits are eliminated. Such relief would reassure the State and local governments that their assistance to passenger operations will not be partially eliminated by Federal

income taxes for those roads whose combined freight-passenger operations show a profit.

Making equitable the subsidies and user charges among the various common carriers, and between common carriers and private transportation, is also necessary to the development of a healthy system wherein each form of transportation can assert its service as well as its cost advantages. Any governmental aid to the passenger carrier, as well as road building programs, must be based on a demonstrated need for the particular transportation involved and on an overall evaluation of the effects which will befall competitively affected carriers.

President Kennedy's transportation message of 1962 recommended that: (1) user charges be extended to both commercial and private airplanes; (2) assistance to domestic trunk air carriers be reexamined and subsidies to other air carriers be reduced; (3) the Federal Government with its vast transportation bills should utilize privately owned carriage wherever practicable; and (4) additional research should be used to insure that the Federal Government maintains an equitable promotional and regulatory framework toward all carriers. I think that the President's analysis of the existing situation is as clear and concise as possible. I hope that the Congress will act on these proposals, most of which have been supported in principle by regulatory agencies for several years.

Railroad passenger operations are faced with very high inflexible costs for taxes, labor, material, and fuel. There is little that industry itself can do to lower these expenses. I have already mentioned several methods to reduce certain tax burdens. Improved use of labor, which constitutes 60 percent of passenger operating expense, may be possible under conditions of labor-management cooperation, if such conditions can ever again be achieved in the railroad industry.

#### VIII

There are many bright signs that the necessary ingredients for adequate rail passenger service are beginning to be examined and implemented. However, greater effort is going to be required on the part of all concerned or it is going to be a case of "too little, too late." I strongly believe that, even if the industry introduces improved services and has the complete cooperation of Federal, State and local governments, the public must still be sold all over again on the convenience, comfort, and costs of railroad passenger travel. There has been a growing stigma attached to this service. So long as there is a climate catering to what seems to be a national urge to fly or drive, it's going to take more than the development of a better travel package from a technical standpoint.

The advent of an efficient rail service is not by itself going to bring passengers streaming to the doors of the nearest railroad station. At the risk of sounding like an advocate of slick promotional campaigns, I suggest that the major roadblock for you is dispelling the traveling public's apprehension about riding the rails. Whether the negative attitude which I think prevails is based on truths, half-truths, or is completely false makes little difference; rail service must be sold as a reasonable alternative to other transport facilities. It is undoubtedly true to say: "Building a better mousetrap is but the first step, the real key to success is making the public believe you have something to offer." But it is undoubtedly true because it is true.

Several of the research studies being conducted by the Federal Government should offer some insight into the most promising types of service for the railroads. Besides these programs which I mentioned earlier, the census of transportation should also produce some valuable information on traveling habits and preferences. But market

research, including public relations efforts in rail passenger service, has definitely not been one of the strong points of your industry.

This necessary exploration of demand, service and sales is, at the same time, the first and last steps in developing a sound product. In order to design the equipment and services that are tailored to the public's desires, you must first know what the public wants. Then the public must be told that you've made rail service a convenient way to travel. And let's realize once and for all that the public just won't buy poor service.

Railroad sales historically have been geared to soliciting freight from a limited number of shippers. Gaining freight traffic, however difficult, is relatively simple compared to convincing passengers to leave the highways and ride the railroads. Any good freight agent can pinpoint the key determinants which influence shipper patronage—for instance, service reliability, cargo protection, rates, and available equipment.

On the other hand, you are playing in a different ball game when you attempt to influence passenger travel. The cost of private automobile transportation is figured only by how much is spent for gas, oil and tolls. Longer transit time is submerged beneath the urge to drive. And the air traveler still proudly announces that he flew from Washington to New York in an hour, despite the fact that it took 3 hours from his office in downtown Washington to Wall Street. The costs to and from the airport often similarly disappear from his consideration.

What is needed is a fresh perspective on the part of rail management dealing with passenger service. Many people do not realize the advantages of travel by rail. About one out of three Americans have never ridden a train. Most of those who have tried rail service have seen the worst of it—jammed commuter trains, overcrowded holiday trips, or the unkempt, one-a-day, branch line.

As a potential intercity traveler considers the various ways people move around our Nation he may be influenced by his TV set. In the course of normal viewing, he is bound to see advertisements suggesting that bus riding is the "easiest travel on earth," that he "take the bus and leave the driving to us," or that he "can fly to New York every hour on the hour." About the only time you can find a mention of railroad passenger service, at least here in the East, is as an incidental prop in one of the westerns.

It is not my intent to demean either the advantages or need for buses and airlines; they both will play important roles in transporting passengers. However, the railroads must significantly improve the present public conception of their passenger services.

#### IX

Thus, it is going to take a concerted effort on the part of the industry and the Federal, State, and local governments to develop railroad passenger service to meet the intercity and commuter demands of the coming decades.

The potential market is available and the gap which would be left by the cessation of rail passenger service could be filled, if at all, only by enormous economic and social costs. The future of rail passenger service cannot be a question mark, it must be made a reality.

#### GILPATRIC AND TFX

Mr. SIMPSON. Mr. President, I would like to bring to the attention of my colleagues and to others who are following with interest the intricacies of the TFX controversy an article written



by Clark Mollenhoff that appeared in the October 27 Des Moines Register.

The article entitled, "Gilpatric On Leave While in U.S. Post" discloses that the Deputy Defense Secretary did not sever his ties with his private business interests at the time he entered Government service.

It appears the Defense Secretary was only on leave from his law firm—the firm which did then and still does handle the General Dynamics account—while he was sitting on the impartial board which awarded the \$6.5 billion TFX contract to General Dynamics.

Mr. Mollenhoff recalls that "Gilpatric was one of those recommending that the contract should go to General Dynamics" even though "the Pentagon source selection board had favored the Boeing Co. version of TFX."

I request unanimous consent, Mr. President, that the Mollenhoff article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

**GILPATRIC ON LEAVE WHILE IN U.S. POST—  
DIDN'T SPLIT FULLY WITH LAW FIRM**

(By Clark Mollenhoff)

WASHINGTON, D.C.—Group insurance records state that Deputy Defense Secretary Roswell Gilpatric was put on an "on leave" status rather than having severed his ties with the law firm of Cravath, Swaine & Moore, it was learned Saturday.

Documents stating that Gilpatric was on leave have been obtained by the McClellan Senate Investigations Subcommittee in connection with the probe of the TFX warplane contract.

This information is regarded by the committee as important in establishing Gilpatric's continued link with the law firm during the period he has been the No. 2 man in the Defense Department. Gilpatric has said he is going to return to the big New York law firm later this year.

**GENERAL DYNAMICS**

Gilpatric was a lawyer for General Dynamics Co. from 1957 until he became Deputy Defense Secretary in January 1961. He has stated that when he came into the Defense Department he turned the General Dynamics account over to one of his partners in the law firm, who later became a director of General Dynamics.

During 1961 and 1962, Gilpatric took part in the Pentagon decision on the \$6.5 billion TFX program, and with Defense Secretary Robert S. McNamara went to the White House to discuss the contract with President Kennedy.

Gilpatric was one of those recommending that the contract should go to General Dynamics. The Pentagon Source Selection Board had favored the Boeing Co. version of TFX on grounds of anticipated superior performance and an estimated cost that was lower by \$100 to \$415 million.

**URGED DELAY**

After the contract award to General Dynamics was announced on November 24, 1962, Senator JOHN MCCLELLAN, Democrat, of Arkansas, urged that the Defense Department hold off signing a formal contract until his investigators had completed a preliminary review.

Gilpatric wrote a letter to McClellan rejecting the suggestion that the contract should be held up, saying he had found that in the national interest it should be signed immediately. The contract was signed the same day.

Some members of the McClellan committee and some other Members of Congress have contended that Gilpatric should have disqualified himself from handling any aspects of the TFX warplane contract, even if he had made a complete resignation from Cravath, Swaine, and Moore.

**LAW FIRM CONTINUED**

The law firm has continued to represent General Dynamics up to the present time.

General Dynamics officials have testified that approximately \$300,000 in fees had been paid to the law firm up to the summer of 1963.

Gilpatric has testified that in 1957 or early 1958, he obtained General Dynamics as a client of Cravath, Swaine, and Moore, and until January 1961, he handled General Dynamics cases.

General Dynamics records show that he frequently attended board meetings, and was consulted on major problems when the firm was in serious financial trouble and obtained more funds through a merger with Material Services, Inc., a Chicago firm headed by Henry Crown.

**DENIES IMPROPRIETY**

Gilpatric has declared that there is nothing improper in his role in the TFX contract.

He has refused to discuss details of his arrangements with the law firm, under which he has been receiving more than \$20,000 a year. He states that this involved compensation for past services. He has declined to say if any of it comes from the General Dynamics account.

**UNDER TRUMAN**

The records and correspondence between Gilpatric's law firm and the insurance company show that he also was put in on leave status with the group insurance plan in 1951 and 1952, when he served as Assistant Secretary to the Air Force in the Truman administration.

Gilpatric receives \$22,500 a year as Deputy Secretary of Defense, and Secretary McNamara said he made a "great sacrifice" to come into the Government.

McNamara said Gilpatric plans to leave the Government soon because of heavy personal financial commitments that he must take care of through the more lucrative practice of law.

**GROSS COMPLAINT**

Representative H. R. Gross, Republican, of Iowa, has told the House that Gilpatric and Navy Secretary Fred Korth were involved in improper roles in the TFX contract.

He said both should have disqualified themselves because of close associations and financial ties with General Dynamics prior to coming into Government.

Korth has resigned as Navy Secretary effective November 1. He has released correspondence that disclosed he was promoting business for Continental National Bank of Fort Worth, Tex., while serving as Navy Secretary.

He used Navy stationery to promote deposits for the bank he formerly headed. He used a Navy yacht, the *Sequoia*, to entertain officials of the bank and some of the bank's "extra good customers."

Korth has denied that he was involved in any impropriety. The Justice Department has written to a Congressman that on the basis of evidence it has available, it does not believe the law on "conflict of interests" have been violated.

However, White House pressure is said to have been applied to induce Korth to resign.

**HUMAN COLOR**

Mr. MORSE. Mr. President, Mrs. Walter F. Sanders of Waldport, Oreg., has brought to my attention a most sin-

cere and touching essay which cuts through the many side issues which becloud the basic moral principle at the heart of the civil rights controversy.

I am deeply indebted to Mrs. Walters for having given me the opportunity to bring this very short essay to the attention of the Senate.

I ask unanimous consent, Mr. President, that her letter of September 30 and the essay attached thereto be printed at this point in my remarks.

There being no objection, the letter and essay were ordered to be printed in the RECORD, as follows:

SAN MARINE ADDITION,

Waldport, Oreg., September 30, 1963.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D.C.

DEAR SENATOR MORSE: The attached story is true, in that while babysitting, and reading stories to the children, I have been asked the question which prompted me to write this story.

At this time, with the segregation situation, and the problem of the color of people's skins, I truly believe this story is apt and fitting, and am hoping somehow it can be printed and read by thousands. I have sent a few copies to some of the newspapers.

I am sending this copy to you, just for you to read, and also with the hope that you will read it to your grandchildren.

Thank you for your courtesy.

Sincerely yours,

MARY A. SANDERS,  
Mrs. Walter F. Sanders.

DEAR JOHNNY: You asked me why there are so many different colors of people in the world. You wonder why some have white skins, some brown skins, and some red. Perhaps this will help answer your question.

When God made the flowers, He didn't make one size, or one color, or even one shape, just like people. We love all of the flowers, also the trees. Their leaves are of many sizes and colors. Some leaves are pale green, almost white, while others are yellow, or red.

To complete the color harmony in the world, God made the skins of His children of different colors also. To the American Indian He gave a shade of red skin. Many times you hear of them referred to as "Redskins." He gave the Orientals, such as the Chinese and Japanese, yellow skins. Some Negroes have a light brown skin, while others have a darker skin. Many of the so-called white race have very ruddy, or olive colored skins. No one's skin is really white.

Remember last year, how thrilled we were to see the lovely almost-black tulips in the garden, and the very dark red of some of the roses. We also like the yellow daisies, the beautiful brown irises, as well as the many white flowers.

Now Johnny, stop and think about this. Don't you think it would be a very uninteresting, pale and dull world if everything, and everyone, were only one color? A white world of fresh snow is lovely to look at, and also lots of fun to play in. It would not be so pretty if there were no green trees to be seen, nor if we did not see the limbs of the leafless trees, partly covered with snow.

How joyous and happy everyone feels when we see a rainbow after a storm. What a glorious picture one sees in the gold and rose of a sunset.

We know that God made everything in the world, and everything He made was good. You learned that in Sunday school, dear. Remember how soft is a kitten's fur, and the petals of a rose. These are only two of the lovely things God made that we touch.

Remember how good your nose feels when you put it in a bunch of lilacs. God gave

the birds their joyous songs. He gave all of His children, no matter the color of their skins, the ability to compose beautiful music, as well as to sing many beautiful songs.

Always remember, Johnny, no matter what color of skin God gave to His many children, He made all of them with His love. He gave all of them the same good and loving hearts. If God loves all of His children, no matter what color their skin is, we should do the same. Every person of every race and every color is a child of God.

SEPTEMBER 30, 1963.

#### QUIT THAT EXPANSION, COUNTRY

Mr. McGEE. Mr. President, the economic laws that govern a society in today's modern world border on the incomprehensible and it is easy to see why many people would rather consider the national budget and economy in more simple terms less prone to cause doubt and headaches.

Mr. President, Prof. Paul A. Samuelson, of the Massachusetts Institute of Technology, has written a very enlightening article on the conflict of economic theories and the future course of our Nation. This article appeared in the Washington Post for October 27 and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

**SIMPLE-MINDED PROFESSOR: QUIT THAT EXPANSION, COUNTRY**

(By Paul A. Samuelson)

What happened to talk of the "profit squeeze"? The fact that profits have been establishing new records every quarter has sent it into temporary hiding, along with talk that current depreciation should be adjusted to take account of algebraic changes in the price level.

When prices start to rise rather than fall, real-income depreciation will again come out of hiding. And when profits cease to grow so nicely, we shall again hear about "profitless prosperity."

I have a friend who is a simple-minded professor. His motto has always been: "What is good for me is good for me; what is good for the country is good for the country." He fears he has reached the peak salary a professor can get; so he is against everything that causes the country to expand.

Often he say to me: "How can you vote for Democrats when you know that they are the party that presses for high employment?" Experience has taught him that I am a hopeless case.

But, being simple minded, he cannot understand the political attitudes of businessmen. He has the naive notion that their primary interest is in profits. And, since profits are the residual leftover after relatively fixed costs get paid, he figures that profits are the principal beneficiary of rapid growth. I keep reminding him that the unemployed and the partially employed also benefit from rapid growth; but he concentrates on one thing at a time.

Most Americans have grown up knowing that just as winter follows fall, businessmen generally vote Republican. My professor friend came to this country as an adult. And although he has become accustomed to our summer heat and our autumnal gales, he still finds it marvelous and remarkable that the group whose interests depend on profits applaud the contractionist orthodoxies of Senator Byrd, and Secretaries Humphrey and Anderson of the Eisenhower administration.

Although puzzled, he is grateful that they work for his interests and not for those of their stockholders.

When I point out to him that an occasional big businessman comes out in favor of a Democrat—Thomas I. Watson, Jr., in the 1960 Kennedy campaign, for example—my friend just shakes his head and says: "It is always for the wrong reasons that they go Democratic—out of a misplaced sense of idealism and not for selfish identification of true economic interests."

Like most professors, my colleague can become eloquent at times. He accosted me on the streets of Cambridge the other day with a wild look in his eye: "Do you know what your President Kennedy has succeeded in doing?" Whenever something is amiss, the President is put in my possession. I winced, expecting to hear that the White House had ruled that professors must teach at least twice a week or had cut out sabbatical years by arbitrary edict. The indictment was not long in coming.

"That man in Washington has added \$100 billion to the gross national product in his 3 years of office. Think of what he'll do if we give him 8 years. Why that's a 20-percent increase since early 1961."

Trying to mollify him, I pointed out that almost all the increase was in real terms rather than merely reflecting price-tag increases. Also, modestly, I tried to make plain that productivity has been especially good from 1960-63 as compared to 1956-60, and that the GNP is produced by the citizenry and not by a few people in Washington. But Professor X was too smart for me.

"I'm not complaining about that part of the 4-percent growth which consisted of the 2½-percent growth that was typical under Eisenhower. I can't reasonably object to that. But as an economist you know very well that increases in productivity are helped by a rising economy. And every time productivity rises in Detroit and Bridgeport, I have to pay just that much more for the maid who helps my wife with the housework."

"Take last year's pause in business. It might well have turned into a recession as in the good old days, if talk of a tax cut and stepped-up payments on veterans' insurance and lots of other things had not been done or been in the offing. I'm not getting any younger and if these postwar expansions are going to be stretched out in duration by Government interference whenever am I going to be able to enjoy those depression bargains?"

Taking leave of my friend (who is well able to take care of himself), I return to the subject of profits. Their behavior can, I think, be explained this way.

After the war, capital was scarce relative to labor and output here and abroad. Hence profits were large.

This led to the wherewithal and the incentive to undertake much capital formation. As capital piled up each unit of capital began to compete harder with each unit of capital at home and abroad. This process would have led to a gradual squeeze on the percentage to be earned on the investment dollar, whatever was done in Washington. The only thing that could offset this competitive process was new inventions and improved technology.

Along with the above basic trend, there has been the sad fact that real growth rates began to languish about 10 years ago. The formulas we use to estimate profits always contain in them a strong term reflecting growth or output. If output stays high but stagnant, profits get eroded away.

The above two factors account, I think, for the slackness of profits that took place in the late 1950's. Looking ahead I would stress one caution:

General price rises will do more to end the expansion of the 1960's than any other single thing. Where firms have the power

to raise prices a little more or a little less, they can selfishly maximize their long-run profits by choosing a little less.

Here is a case where virtue will not have to be its own reward.

#### DEVELOPMENT OF THE RAILROADS

Mr. McGEE. Mr. President, one of the most interesting chapters in the history of the West is the development of the railroad. The State of Wyoming owes much to the determination and energy of those hardy men who pushed the iron rails across the West.

It may surprise many people to know that this pioneer activity was carried on well into the 20th century. In fact the city of Casper, Wyo., has just celebrated the 50th anniversary of the completion of a rail link with lines to the north and south.

Mr. President, the Burlington Railroad has prepared an excellent summation of the railroad's arrival in Casper which was distributed at the anniversary celebration on October 20. This celebration included a steam train ride from Casper to Armitage, Wyo., and return. More than 1,000 persons attended that celebration. I ask unanimous consent that this brochure be printed in the RECORD.

There being no objection, the brochure was ordered to be printed in the RECORD, as follows:

**FIFTIETH ANNIVERSARY OF THE ARRIVAL OF THE BURLINGTON RAILROAD AT CASPER, OCTOBER 20—1913-63**

Casper had yet to learn the meaning of the word "boom" when Burlington rails reached it in October of 1913. The State, in fact, could hardly be said to have outgrown its frontier atmosphere, for the so-called Old West of the last century was still very much in evidence.

The building of the line to Casper was part of a master plan of empire builder James J. Hill to connect the Pacific Northwest and Texas gulf ports with a direct, heavy duty railroad.

Hill, famous as the builder of the Great Northern, had bought the Burlington in 1901. He also had working control of the Northern Pacific. Sometime between 1902 and 1905 he decided to build an entirely new line south from Billings, both to provide a shorter route to the gulf, and to open the vast Big Horn Basin to development.

The railroad's only previous penetration of the Big Horn Basin was a line from Billings to Frannie, via Toluca. Construction southward from Frannie began on October 3, 1905, and reached Kirby, 12 miles north of Thermopolis, on September 3, 1907. There the line ended—at least temporarily.

Meantime, down in Colorado, events were taking place that would prove of importance to Casper. The Colorado & Southern Railway had been conducting an aggressive expansion program since 1900, and now had a system that extended—either by direct ownership or by trackage right agreements—from Orin Junction, on the Platte River 14 miles east of Douglas, southward to Denver, Pueblo, Trinidad, Amarillo, Fort Worth, Dallas, Houston, and Galveston.

It was readily apparent to James J. Hill that if the Big Horn Basin line from Billings to Kirby could be continued south through the Wind River Canyon and on to Orin Junction, his dream of a railroad from Pacific Northwest to the gulf would become a reality—if he could obtain the Colorado & Southern. Late in 1907, therefore, Hill and



Burlington President George B. Harris entered into negotiations with the principal owners of the Colorado & Southern, and purchased it on December 19, 1908.

Work on the line south of Kirby was resumed in July of 1909. Blasting a railroad through the rugged, scenic Wind River Canyon proved a difficult task, but Burlington tracks reached Casper on October 20, 1913. Construction continued throughout the winter and the line reached Orin Junction just 2 days short of 1 year after it had reached Casper; October 18, 1914. Casper now was a main point on the shortest rail route from the Pacific Northwest to the gulf. With the building of an 8-mile link between Wendover Junction and Guernsey, Casper was also placed on a mainline route to eastern markets.

The first Burlington train to roll out of Casper was an inspection train that had arrived the previous evening from Alliance, over the rails of the North Western line from Crawford. A. J. Mokler's Natrona County Tribune, of October 23, 1913, tells about it:

**"BURLINGTON OFFICIALS VISIT CASPER MONDAY"**

"The Burlington inspection train arrived in Casper Sunday evening on the Chicago & Northwestern and was transferred to the Burlington line, and on Monday a trip was made west from here by the officials. The train consisted of two coaches and an engine especially built for the purpose of inspecting the company's roads. The officials on this inspection trip were E. D. Koller, assistant general manager, of Omaha; E. E. Young, general superintendent, of Alliance; G. S. Gupton, general freight and passenger agent, of Billings; W. W. Johnston, assistant general freight agent, of Omaha; F. D. Hunter, general agent, of Billings; and Messrs. Glenow and Winters of the Great Northern, who make their headquarters at Billings."

The first train into Casper over the new line arrived from Kirby Monday evening. The fact it arrived on time may have been construed as a good omen by those who turned out to greet it. The same issue of Mr. Mokler's Tribune gives this interesting account:

**"ARRIVAL OF FIRST BURLINGTON TRAIN IN CASPER"**

"Train service on the Burlington system over the Casper and Greybull Division was commenced on Monday, October 20, and the first train came into Casper at 7 o'clock Monday evening, arriving in this city promptly on time. Quite a number of passengers were on the first train and the trip was made without a hitch anywhere along the line. The service for the present will be tri-weekly, leaving Casper at 7 a.m. on Tuesdays, Thursdays, and Saturdays, arriving at Kirby at 7 p.m. The train will leave Kirby at 7 in the evening. C. E. McMillen is the agent in Casper. He was the agent in Cody for a number of years, but was given the Casper station, which is considered a promotion. Mr. McMillen will move his family to Casper just as soon as he can find a house in which to live.

"At the present time two boxcars are being used as a depot, but one of the nicest depots in the State on the Burlington system will be built in Casper. This depot will cost \$85,000, and will be built of brick and stone. It will be located at the foot of Center Street, and work upon the structure will be commenced as soon as the material can be gotten on the ground. Work upon a two-story freight depot 100 by 28 feet was commenced this week. This building is located at the foot of Wolcott Street, and will be between the main track and a sidetrack, so loading and unloading may be made from either side. The fact that the Burlington system is putting up these substantial and expensive buildings is an assurance that

Casper is to be the principal station in Wyoming.

"A great many sidetracks have already been built in the yards here and a large crew of laborers and trainmen are at work loading cars with gravel on the north side of the river which is being used to surface the roadbed west from Casper. A large water tank is being built on the north side of the tracks at the foot of Center Street, and the roundhouse is being built east from the water tank. The dispatcher's office is at present located in a boxcar, but this office of course will be moved into the new depot when it is built.

"Just at present the service over the new road is not the best, but this will be improved as rapidly as possible. It is thought that through trains from the gulf to the coast will not be in operation until next summer, but work will be continued on the line between Casper and Orin Junction all winter and through service will be commenced as soon as possible. When this stretch of road is finished this will be a transcontinental line and some very fine trains will be put in service.

"The stations between Casper and Thermopolis are Cadoma, Bucknum, Petrie, Powder River, Armenta (now Armino), Madden, Lysite, Schoening, Bonneville, Emery, Boyesen, Dornick, and Minnesela. The distance between Casper and Thermopolis is 134 miles."

That portion of the line from Armino to Bonneville was almost entirely washed out by flash floods in 1923, and had to be rebuilt in a better protected location. Burlington Railroad president Harry C. Murphy, then a young engineer well underway on his railroad career, was sent to Wyoming at this time and assisted in the relocation and rebuilding efforts.

During the oil boom years, around the time of World War I, the Burlington hauled long trains of tank cars to eastern refineries and marketing points. During War II, long oil trains moved in the reverse direction; from Texas to the Northwest in preparation for an attack on the Japanese forces. The Casper division was such a busy point that finding enough employees to conduct operations was a major problem; young men were recruited from all parts of the system and sent here. High living costs, lack of adequate housing and homesickness produced a continual turnover. The railroad erected a hotel to house employees, thus keeping many who would otherwise not have stayed. The housing shortage was so acute that one enterprising clerk in the division freight agent's office rented his cot—the only sleeping accommodations he could find—to two other workers each day, charging them \$1 for each 8 hours of occupancy. At the end of 8 hours, the clerk's "guest" would be awakened and sent on his way, and the cot rented to another for the next 8 hours. Casper's "wide open frontier town" characteristics during the boom years afford quite a story, the telling of which will not be attempted here.

In subsequent years, Casper and the Burlington faced World War I, the "roaring twenties" and its dizzying booms, the great depression of the thirties, World War II and the vast surge of growth that followed.

Smoke from Burlington steam engines no longer blows down the historic Platte Valley. In place of the chuffing iron horse, super-efficient diesel locomotives—resplendent in Burlington's silver or Chinese Red dress—flash over steel rails that pierce the rolling hills and prairies of central Wyoming.

Today, perhaps more than ever, the State stands on the threshold of unbounded expansion. A first question of any industry considering a Wyoming location is the quality of available railroad transportation. Is it dependable? Can rates be made to offset

the disadvantages of Wyoming's greater distances from market?

The Burlington has, time and again in the post War II years, demonstrated its desire and ability to locate new industry in the Cowboy State. Existing lands owned by the railroad in Casper have been improved to attract new industry, and additional acreage has been purchased to insure that no industry will be turned away from Casper for want of a suitable location. As freight rates have been tailored to meet the needs of Wyoming shippers, freight schedules, too, have been trimmed, thus passing on to Wyoming the benefits of Burlington's post War II investment of almost \$1 billion in modern equipment, stronger track and an efficient plant.

The Burlington is betting its next 50 years of partnership with Casper will see continuing growth of the oil capital city, and increasing importance of the mainline freight route between the Pacific Northwest and Southeast and gulf points.

**OLAUS J. MURIE**

Mr. McGEE. Mr. President, it is with a real sense of deep personal loss that I speak today on the death last week of Olaus J. Murie. Olaus Murie earned and carried well the title of "Mr. Wilderness." Not only was he a great naturalist and former president of the Wilderness Society but he was a man to whom the wilderness was home.

One of the most fortunate occurrences of my life, Mr. President, is that I was able to spend many hours in the company of Dr. Murie and from him learn many new and interesting facts about the intricate balance of nature and the beauty and calm of a close association with a world unmarred by man's frantic attempts to control his environment. I have always loved the many wilderness areas present in my State of Wyoming but with Dr. Murie's help I was able to discover many new facets of beauty so that each visit to the wilderness became even more enjoyable. And I was but one of thousands of people who have benefited from an association with this perceptive man.

But Dr. Murie was more than a man keenly attuned to his surroundings. He was a man convinced that only man could save his natural heritage from those of his own kind who prefer plunder and profit to careful utilization and conservation. His efforts over many score years added significantly to the movement which has rescued many irreplaceable natural treasures from destruction and made the general public conscious of the need to preserve for our posterity some portion of our great land as it was before the arrival of civilization.

Mr. President, Dr. Murie was one of those rare individuals who do not intrude upon their environment but rather are a part of it, men who are completely comfortable in nature because they are "at home."

Wyoming is very proud that this man chose to make his home in the "Equality" State. We will remember him with warm and comforting memories and I sincerely hope that we will honor him by living up to the standards of gentleness, humility, and devotion to nature that he has set for us.

Mr. President, the Washington Post, on October 24, carried Dr. Murie's obituary and on October 25, published a moving editorial on this great man. I ask unanimous consent that these two articles be printed in the RECORD along with a copy of the Wilderness News release on Dr. Murie's death.

There being no objection, the articles and release were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Oct. 24, 1963]

#### OLAUS J. MURIE

Olaus J. Murie, a former director, staff head and president of the Wilderness Society, with offices at 2144 P Street NW., died Monday in Jackson, Wyo., after a long illness. He was 75.

At the time of his death, Mr. Murie was chairman of the Wilderness Society Council, the governing body.

A mammalogist, he had received numerous medals and commendations, including the Leopold Medal and the National Audubon Society's special Audubon Medal Award.

He is survived by his wife, Margaret, of the home in Moose, Wyo.; two sons, Martin, of Yellow Springs, Ohio, and Donald, of Evanston, Ill.; a daughter, Mrs. Norman Miller, of Chicago, and eight grandchildren.

[From the Washington (D.C.) Post, Oct. 25, 1963]

#### OLAUS J. MURIE

To thousands of people who had hiked or camped with Olaus J. Murie or had talked with him on a mountain trail, he was Mr. Wilderness. Even in his advanced years, Dr. Murie walked through a forest with the graceful stride of a panther. His ears were attuned to every sound of the "singing wilderness," as Sig Olson would say. He was a friend of every living thing and seemed to find his greatest enjoyment in introducing other human beings to the mysteries of the wilds.

Dr. Murie began his fascinating career as a sort of ambassador of the wilderness when he and his wife Margaret went to Alaska to study the caribou for the old U.S. Biological Survey. Later they studied the wolves of Alaska and many other wild animals in their natural habitats. He was an eminent authority on the elk and in 1949 led an expedition to New Zealand to study that species. His volume on "The Elk of North America" and various other books won him high distinction as a naturalist.

Yet it was to the unspoiled forests, streams, and open spaces, rather than the world of books, that he belonged. At home with the natives of remote areas as well as with the wild life, he exemplified the gentleness and natural wisdom that some sensitive people seem to derive from close association with the earth and its creatures.

As president and later as council chairman of the Wilderness Society, he was a tower of strength in many conservation endeavors. His interest in the preservation of natural beauty was pointedly demonstrated in 1954 when he came to Washington from his home in Moose, Wyo., to participate in the 175-mile C. & O. Canal hike led by Justice Douglas. At the age of 65, he hiked the entire distance even though he was ill at the time. His friends of that and many other expeditions will remember him as a highly civilized being who had acquired an aura of nobleness from the wilds that he loved so much.

#### OLAUS J. MURIE, LEADING EXPONENT OF WILDERNESS

WASHINGTON, D.C., October 22, 1963.—Olaus J. Murie, our leading exponent of wilderness, passed away quietly yesterday afternoon (October 21, 1963) after a long illness, the

Wilderness Society reported today. He was in St. John's Hospital at Jackson, Wyo.

A former director and staff head of the Wilderness Society, of which he was also president from 1950 to 1957, Dr. Murie at the time of his death was chairman of the society's council, its governing body. He was in his 75th year.

There will be no funeral, the society announced. Dr. Murie's ashes will be left in the back country of the mountains at a time and place yet to be chosen. Those who might wish to send flowers are, at the suggestion of Mrs. Murie, invited instead, if so inclined, to send contributions to the Wilderness Society for the recently established Olaus Murie Endowment for Wilderness and People.

#### HIS IMPACT CALLED INCALCULABLE

"His impact upon conservation and the cause of wilderness is incalculable," said Harvey Broome, president of the Wilderness Society.

"Olaus Murie," said Mr. Broome, "was for many years a leading mammalogist who received international recognition for his scholarship, but those who were closest to him will remember him best for his humility, his integrity, and his visions for mankind. He had a remarkable sense of humor but no interest in gossip or trivia. For him life was too noble to be wasted, and the myriad aspects of the earth which reached their climax in wilderness were the great challenge of his life."

"He was the one person who best personified wilderness in our culture," said Howard Zahniser, the Wilderness Society's executive director and editor, who had served on the society's staff under Dr. Murie since 1945. "His life and living," he said, "were in and from the wilderness, and in personality the concept of wilderness had a noble and compelling expression."

#### MEMORIAL FUND ESTABLISHED

The Olaus Murie Endowment for Wilderness and People to which memorial contributions were invited was recently established by members of the Wilderness Society's headquarters staff for the increase of wilderness appreciation, including the financing of wilderness trips by young men and women from urban areas.

Administered by the Wilderness Society, the fund would provide income expected to make possible at least one trip each year on one of the excursions sponsored as part of the society's "A Way to the Wilderness" program.

Emphasizing the special influence of Dr. Murie's deep interest in people, his fellow staff members said in initiating the fund: "We are glad to honor him with the establishment of a fund for the special purpose of bringing people to the wilderness and the general purpose of wilderness appreciation. We hope that others will join with us to increase the endowment and thus add to the effectiveness of this educational program."

#### ACHIEVED GREAT LEADERSHIP

Dr. Murie had achieved a great leadership for wilderness preservation and appreciation, said the Wilderness Society's announcement of his death, and such recognition as the superbly prized Leopold Medal, the National Audubon Society's special Audubon Medal Award, the Honor Roll Award of the Izaak Walton League, and the John Muir Award conferred on him by the Sierra Club at the Eighth Biennial Wilderness Conference in San Francisco, Calif., this past April.

His writings included "Alaska-Yukon Caribou," "The Elk of North America," "A Field Guide to Animal Tracks," and many contributions to scientific journals and to magazines. Just before his death, he was privileged to see the first copies of his booklet, "Jackson Hole With a Naturalist," published by Frontier Press, Jackson, Wyo. These writ-

ings, his illustrations of his own and others' writings, and his oil paintings that hang on many walls were described as both "evidence and agents of his leadership."

Back of all his achievement, said the society, was his wide and intimate personal experience with wilderness—in the Hudson Bay and Labrador regions; in the wilderness of Alaska, western Canada, and western United States, where for more than a quarter of a century he conducted field investigations for the U.S. Biological Survey and its successor the Fish and Wildlife Service; and in New Zealand, where in 1949 he led the scientific party of the New Zealand-American Fiordland Expedition.

His field work in and for many areas of wilderness included participation in the famous 1954 C. & O. Canal hike with Supreme Court Justice William O. Douglas. With Justice Douglas, he was one of the nine who hiked the entire canal distance from Cumberland, Md., to Washington, D.C.

He was married on an Alaskan expedition (to Margaret E. Thomas, on August 19, 1924) and with his wife raised their children (Martin L., Joanne E., and Donald O.) in Wyoming's Jackson Hole region, at the foot of the Tetons. His own drawings illustrate Mrs. Murie's recently published volume "Two in the Far North" (New York: Alfred A. Knopf, 1962) narrating their experiences during his Alaska wilderness studies.

He served with the Balloon Service in World War I, and during World War II was superintendent of the Jackson, Wyo., hospital where he died.

Olaus Johan Murie was born on March 1, 1889, in Moorhead, Minn., the son of Joachim D. and Marie (Frimanslund) Murie. He took an A.B. degree in 1912 at Pacific University, where he later was granted the degree of doctor of science, in 1949. In 1927 he received a master of science degree at the University of Michigan.

Dr. Murie is survived by Mrs. Murie at the Murie Ranch in Moose, Wyo., by his brother, Dr. Adolph Murie, of the National Park Service, who also has a residence at the ranch in Moose, Wyo.; by his three children—Martin L. Murie of 215 East Herman Street, Yellow Springs, Ohio; Mrs. Norman Miller of 5528 South Blackstone, Chicago 37, Ill.; and Donald O. Murie of 1512 Wesley Avenue, Evanston, Ill.; and by eight grandchildren—Margaret, Norah, Janet, Robin, David Jonathan, and Juliette Murie, and Benjamin Olaus and Paul David Miller.

#### BOLIVIA'S IMPORTANCE

Mr. McGEE. Mr. President, it was a real privilege for me to meet once again President Victor Paz Estenssoro of Bolivia during his recent visit to this country. I had met President Paz during a study mission to South America late in 1961. We found Bolivia to be a poor nation but a proud nation, one that was working determinedly to improve its situation with or without help from abroad. And in President Paz we found a man who made a very realistic appraisal of the situation as it existed in his country and was taking some very realistic steps to overcome the many obstacles in the path of Bolivian progress.

What was extremely remarkable for a country so poor was the degree of political stability. President Paz' program had a broad appeal and those elements that usually feed on the discontent of poverty were completely ineffectual. The Senators on that mission were greatly impressed and much heartened by this



example of diligence and bootstrap self-improvement.

Mr. President, I note that there has been some criticism of our assistance to Bolivia by persons who somehow find that anything that is associated with the present administration is suspicious. I would hope that in our eagerness to make political progress we will not condemn, out of political expediency, those who are not striving to become carbon copies of our political institutions but are making real progress toward and better—and a freer—life for themselves.

Mr. President, the Washington Post carried a thoughtful editorial on President Paz' visit to this country on October 25. I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### BOLIVIA'S IMPORTANCE

"What you are attempting to do in your country," President Kennedy said in welcoming President Victor Paz Estenssoro, "is what I hope all of us in all of our countries in this hemisphere would try to do for our people." This was far more meaningful than the usual homilies exchanged at the time of state visits, and suggests why the presence in Washington of Bolivia's President is fitting and important.

Landlocked Bolivia is a poor country and it has known periods of wrenching instability. But long before the Alliance for Progress got underway, Bolivia committed itself to basic reform within a constitutional framework. Along with Mexico, Bolivia is an example of a revolutionary nation determined to remain the master of its own destiny.

Of course there are friendly disagreements with Bolivia and there are difficulties arising from Bolivia's dependence on tin sales. But few doubt that the government of President Paz is broadly responsive to popular demands for land reform, economic development, and improved educational opportunity. Beginning with the Eisenhower administration, the United States has granted extensive aid to Bolivia—a country with a socialist-oriented and nationalistic regime.

This history is the best answer to Cuban charges that the United States is by definition hostile to all revolutions. Surely Latin Americans will note that President Paz, in thanking the United States for its help, said that this country had "never demanded from us anything that might have tainted our national dignity and sovereignty."

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

#### AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 7885) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

The VICE PRESIDENT. The amendment reported by the Committee on Foreign Relations is a complete substitute for the bill. Under Senate precedents, the committee substitute is treated as original text for the purpose of amendment. Amendments to the committee substitute are therefore amendments in

the first degree, and subject to amendment in one further degree.

The question is on agreeing to the committee substitute, which is open to amendment.

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. KUCHEL. One of the members of the minority has asked the minority leadership to object, at the moment, to the adoption of the committee amendment and the consideration of the bill as original text. Does the objection now have to be made by me in order to protect a Senator's right?

Mr. MORSE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Parliamentarian informs the Chair that all the precedents are uniform and that no objection would lie to the procedure announced by the Chair.

Mr. KUCHEL. If I heard the Presiding Officer correctly, I thought he said that the bill before the Senate would be considered as original text.

The VICE PRESIDENT. That is correct.

Mr. KUCHEL. It has been my understanding—

The VICE PRESIDENT. The committee substitute would be, under the Senate precedents, considered as an original bill for the purpose of amendment.

The Parliamentarian informs the Chair that no objection could lie to that procedure, because of the precedents of the Senate.

Mr. KUCHEL. Let me see if I understand the distinguished President of the Senate. The bill, as it came from the Foreign Relations Committee, has been extensively rewritten from the bill as it went to the Foreign Relations Committee of the Senate.

The VICE PRESIDENT. The substitute is in the form of one amendment, the Parliamentarian informs the Chair.

Mr. FULBRIGHT. In the nature of a substitute.

Mr. KUCHEL. Is there any right, under the rules, for a Senator to object to the announcement the Chair has just made?

The VICE PRESIDENT. The precedents of the Senate are uniform, and no objection lies.

Mr. HICKENLOOPER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HICKENLOOPER. Any amendment which any Member of the Senate offered to the bill as it was originally referred to the committee, with the committee amendment reported to the Senate, would still be eligible as an amendment to the bill reported by the Senate Foreign Relations Committee, in the nature of a substitute. Is that correct?

The VICE PRESIDENT. Of course.

Mr. HICKENLOOPER. And any Member of the Senate would not be prejudiced in any way in connection with any amendment which he desired to offer to the original bill prior to any possible adoption of the committee sub-

stitute. He would not be prejudiced at all, as I understand.

The VICE PRESIDENT. The Senator is correct. Under the precedents of the Senate, the substitute amendment reported by the Committee on Foreign Relations will be considered as an original bill for the purpose of amendment, and not as an amendment in the first degree. It is subject to amendment in two degrees.

An amendment proposed to the House text has precedence over the committee substitute or any amendment thereto. Such an amendment to the House bill may be proposed while an amendment is pending to the substitute and takes precedence as to a vote thereon.

When the House bill and the committee substitute have each been perfected, the vote will come on the committee substitute as amended, if any amendment be made. A majority vote against the committee substitute would restore the House text, in whatever form it might be when the vote was taken.

The House text would then be open to further amendment.

Mr. KUCHEL. The only reason why I ask the question is that one of my colleagues asked me to make the inquiry. My recollection is that when a Senator in charge of a bill presents to the Senate a committee substitute, he asks unanimous consent that the bill as amended be considered as original text. If I am correct in that recollection, I should like to know why the Chair's advice has been different in this situation.

The VICE PRESIDENT. This is not a parallel situation. The Senator from California has two different situations in mind. What the Senator has in mind is a case in which many amendments have been made by the committee. This involves only one amendment.

Mr. KUCHEL. I do not understand that this is only one amendment.

The VICE PRESIDENT. The Chair is stating the situation as he understands it.

Mr. KUCHEL. I appreciate that courtesy. All I am trying to do is to obtain information.

The VICE PRESIDENT. The Chair understands.

Mr. KUCHEL. I thank the Chair very much. My only suggestion is that if one of my colleagues does desire to offer an amendment, in any fashion, to the bill as it came from the House, I want to be sure he has the right to do so.

The VICE PRESIDENT. Under the precedents of the Senate, the substitute amendment reported by the committee will be considered as an original bill for the purpose of amendment.

Mr. KUCHEL. Suppose the amendment is a part of the House language. Would that still be subject to amendment?

The VICE PRESIDENT. Certainly.

Mr. KUCHEL. I thank the Chair for his gracious consideration.

Mr. MORSE. Mr. President, I believe the Chair has stated the situation correctly, and that the comments of the Senator from Iowa clarified the matter, but because of the procedural situation and the fact that many Members of the

Senate are not in the Chamber, the situation should be understood. Bills come from committees with committee amendments, and such committee amendments are usually agreed to en bloc, with the understanding that such action does not prevent any Member of the Senate from offering an amendment later.

The VICE PRESIDENT. The Chair is of the opinion that the Senator from California had in mind that situation. The Senator from Iowa correctly stated the situation, as did the Chair, in reading the statement furnished by the Parliamentarian.

Mr. MORSE. I think it will be helpful to have this statement, so that Senators who read the RECORD tomorrow, who are not now present, and who may ask questions, will know the situation. I think this is the proper procedure, as shown in the course of the debate, to make sure that there is nothing to prevent a Senator from offering an amendment to the amendment in the nature of a substitute that is now before the Senate, as reported to the Senate by the Foreign Relations Committee.

Is not the Senator from Oregon correct in that statement?

The VICE PRESIDENT. The Senator is correct. A complete substitute for the committee substitute may be offered, if a Senator desires to do so. Amendments to the committee substitute would be amendments in the first degree and would be subject to amendment in one further degree.

Mr. MORSE. With apologies to the Chair, because his statement is so clear it really needs no further clarification, but in order to leave no room for doubt in the mind of any Senator, it is correct to state that any Senator who wishes to offer an amendment changing in any part any section of the committee bill which has been brought to the floor of the Senate, and which now is the pending business, has the parliamentary right to do so during the course of the debate. Is that correct?

The VICE PRESIDENT. The Senator is eminently correct. Amendments to the committee substitute are amendments in the first degree and are subject to amendment in one further degree.

Mr. MORSE. Last Friday a group of Senators—not all—who are opposed to the bill thought the bill would come to the floor of the Senate in the ordinary form and not in the special form in which it has come to the Senate. They left instructions with some of us that if it did come to the floor in the usual form, objection should be raised to the adoption of the committee amendments en bloc. However, there is no doubt that we are following a perfectly proper procedure. All we have before us is the Foreign Relations Committee substitute for the House bill.

Mr. HICKENLOOPER. Mr. President, at the risk of repetition, in fact and in effect, with the action which is being taken, an original bill is before the Senate, because, to all intents and purposes, the committee amendment becomes original text. Is that correct?

The VICE PRESIDENT. The Senator is correct—for purposes of amendment—

because the amendment reported by the committee is a complete substitute for the bill.

Mr. FULBRIGHT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BREWSTER in the chair). Without objection, it is so ordered.

#### PRINTING OF ADDITIONAL COPIES OF HEARINGS ON NUCLEAR TEST BAN TREATY

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the concurrent resolution (S. Con. Res. 58) to print additional copies of the hearings on the nuclear test ban treaty for the Committee on Foreign Relations, which was, in line 5, after "Relations" insert ", and one thousand additional copies be printed for the use of the Committee on Foreign Affairs, House of Representatives".

Mr. FULBRIGHT. The House added an amendment merely requesting an additional 1,000 copies of the hearings for its own use.

I move that the Senate concur in the amendment of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arkansas.

The motion was agreed to.

#### AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (H.R. 7885) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. FULBRIGHT. Mr. President, it is my task today to commence the debate on the foreign assistance bill of 1963. I can start by assuring my colleagues that I intend to be very brief. Frankly, after some 15 years, virtually everything has been said about the basic objectives and characteristics of foreign aid. And I am just as tired of rehearsing the fundamental points as my associates are of hearing them.

Moreover, there is no real reason for me to present a lengthy and detailed explanation of the bill which is before us. The committee report, a copy of which is on the desk of every Senator, does precisely that. It gives a complete résumé of the contents of the bill. It explains the actions taken by the committee. It points to the further concerns of committee members, and it demonstrates just how the existing foreign aid legislation has been amended. It has the further virtue that it may be read by Senators in less time than they might have to devote to listening to me were I to set forth an elaborate dissertation, one replete with oratorical flourishes and exhortations.

On this occasion I believe it more useful to survey quite briefly where we have

been, where we are now, and where—in my opinion—we should be going in the immediate future.

All of us in this Chamber are intensely aware of the many and varied criticisms directed at foreign aid. To hear some tell it, one would think that we had been spending our time over the last decade throwing away billions of dollars in a fruitless effort to repel the onrushing Communist hordes and to spray water on a world in flames. But let us look back over the record of the past 5 to 10 years and see whether this hyperbolic criticism even remotely resembles the truth.

The fact is, Mr. President, that the Communist bloc has been fought to better than a standstill during the cold war period of the last decade. The plight of Cuba is an obvious exception to any statement of that character, but I think it is equally obvious—or should be—that the very unfortunate situation on that island is largely attributable to factors which existed long before this country embarked on its foreign aid programs. The errors of the United States which compounded the underlying difficulties cannot be explained in terms of foreign aid. Indeed, they were not even all governmental in origin.

Since 1955, well over 50 countries—about half of them African—have gained independence and joined the United Nations. The remarkable fact is that not one of these new nations has succumbed to the Communist bloc, and it is not because the Communists did not make serious efforts to subvert these countries. It is also true that most of these areas have not turned toward close affiliation with the West. But, then, there was no logical reason to believe that they would. In any case, because of the very nature of the contest between the Communist bloc and the countries of the West, it is a clear gain for the latter whenever a new nation maintains its independence within the free world community.

Further, it must be noted that we are not merely holding our own at the points—such as Berlin—where the Communist bloc is exerting maximum pressure; we are seeing great ideological and political disarray within the bloc, as well as evidence that the Communists in many instances are being placed on the defensive. Where we are experiencing difficulties—and I have no intention of minimizing them—they are frequently attributable to factors which have little to do with the Communist challenge. Moreover, they do not lend themselves to short-term solutions.

I am not saying that all is right with the world. On the contrary, we are facing global problems which are extraordinarily complicated and difficult to resolve. Neither am I saying that foreign aid has been the single, or even the most important, determining factor which has brought us to the present stage in world affairs. What I am saying is that the outlook for our Nation and for the free world is at least as bright as any of us a decade ago had a right to expect it might be. In addition, it is quite apparent that we might



have been in a radically different situation if Presidents Eisenhower and Kennedy had not been given the foreign policy tools to work with through congressional action on the program now before us.

In short, I do not think that those who have been most vocal in their opposition to foreign aid over the years will find their position vindicated by the current posture of the United States in the world.

In that connection, I should like to digress to say a word about a remarkable speech made yesterday in Frankfurt by the new Chancellor of Germany, Dr. Erhard. I had the privilege of hearing him. I was both surprised and gratified by the character and generosity of his comments about the alliance with this country and, more particularly, about the movement toward the unification and close cooperation of the countries of Western Europe with the United States. Dr. Erhard paid a strong tribute to the efforts, the expenditures, and the contributions made by this country to the revival of Western Europe. He also recognized the responsibilities of his country and the other countries which are members of the Common Market and of the NATO alliance. He acknowledged their responsibilities in connection with assistance to the underdeveloped countries, and particularly in sharing more equitably the burdens of their own defense.

I believe the speech of Dr. Erhard yesterday was extremely encouraging. It had direct relationship to the effectiveness of the Marshall plan which, of course, was the primary program in that area, or the initial program in the overall effort.

When we read, daily, of the criticisms and shortcomings of the foreign aid program, we should balance them by recognizing the great accomplishments that have already been made, especially in Western Europe, and also be glad that a man like Dr. Erhard, the new leader of one of the strongest nations in that area, has seen fit to make the statements to which I have referred. I hope every Senator will take the time to read Dr. Erhard's speech.

One thing is very clear, Mr. President, the world today is fundamentally different from the world we faced 15 years ago. There have been basic changes within the Communist bloc. Western Europe is a vital and prosperous area well able to play a much more important role in shaping the future of the non-Communist world. The underdeveloped areas of Asia, Africa and Latin America have moved great distances from their former obscurity and are wrestling with well-advertised and intractable problems. Everywhere we look—at every continent outside our own—we see the world in process of rapid transition. It seems obvious that the foreign policy tools needed a decade and a half ago are no longer the instruments which are best applied to the present world scene.

It is true that the foreign aid program has undergone considerable changes during its 15-year existence. But it is also clear that the pace of

change has tended to lag behind events. I strongly believe the administration should give the most serious consideration to a profound reappraisal of the world situation now taking shape, and of the nature of the foreign policy tools which will be required to deal with the situation as it is developing.

While I tend to share the view of many Members of this body that at least portions of the foreign aid program are threatening to become obsolescent, I do not believe that we are yet in a position to take drastic action. There is far more danger in being precipitate than in tolerating temporarily a degree of obsolescence. I think we should be extremely mindful of the Clay Committee's admonition against abrupt cutbacks in the program. The very use of the term "phasing out" should inhibit any hasty dismantling of a structure which—despite its shortcomings—has amply served the national interest.

At the same time, I would urge the administration not to delay embarking upon a full-scale reexamination of foreign aid requirements before the next session of Congress, which is approaching at alarming speed.

I have some suggestions of my own to contribute to this process. But, before giving them, I must emphasize that these are strictly my personal views. I am speaking only for myself, not for other committee members. The report on the bill speaks for the committee.

First, I believe the time is approaching when we should separate the military component of the foreign aid program from the economic and other elements. Some while back, we succeeded in establishing the procedure whereby the foreign military assistance program was reviewed in competition with our overall defense expenditures. There has long been merit in the more fundamental idea that military aid should be removed entirely from the foreign assistance legislation. I think the Foreign Relations Committee in the past has been reluctant to approve such a move, primarily because of fears that the military program would expand if considered in the context of the enormous Defense Department budget. However, I am now coming to the tentative position that the foreign aid program can no longer afford to carry this billion-dollar-plus burden.

My second point has to do with the general subject of development loans to the newly independent countries of the world. While I cannot pretend to any gift of prophecy, I suspect that within a relatively short period we shall be finding that a substantial number of underdeveloped countries will be unable to service or utilize efficiently many more large capital loans, even on highly flexible terms. Without in the slightest giving up on our long-term objective of assisting the underdeveloped nations toward economic growth and stability, it seems to me that a new tack will have to be taken by this country. I believe we should reduce substantially our bilateral development loan program, and look increasingly toward the international financial institutions for the provision of capital loans. Such a change should prove an inducement to other countries

to increase their contributions to the international institutions, so that more funds would be available without an increase in the total cost to the United States.

In this connection, as loans become more difficult to service, and the likelihood of repayment diminishes, there will probably be an even greater necessity for close scrutiny of the underdeveloped economies. A good deal of pressure will have to be asserted in the direction of lending preconditions involving economic and social reforms and other highly unpopular steps. Our interests might best be served by letting the impersonal and efficient international institutions absorb the resentment which inevitably accompanies the imposition of discipline, while we maintain our relationships and pursue our objectives with the underdeveloped countries through other means. With this in mind, I believe we would do well to start paying much more attention to the International Development Association and the Inter-American Development Bank, as well as to the World Bank and the Monetary Fund.

These international institutions have now had sufficient experience so that I believe we can judge their efficiency with much greater assurance than we could have done 5 or 8 years ago. They have performed an extraordinarily fine service. Our need to wait for the results to become clearly evident was one of the reasons why this suggestion could not have been made with any assurance a few years ago. However, in view of their excellent record, I think the time has now come when it is appropriate to give consideration to this approach.

My third point grows out of the preceding one. It concerns the means through which we maintain our relationships and our presence within the underdeveloped world. Here, I think we should give priority attention to the development of the human resources which are increasingly being seen as the necessary precursors to meaningful economic development. It thus seems to me that we should maintain technical assistance programs comparable in nature to those now going on, but at reduced levels. At the same time, we should preserve and give even more weight to the various methods of providing educational assistance. Along with these two programs, I believe we can also rely upon the Peace Corps and our Public Law 480 programs to give evidence of our interest, to establish our presence, and to preserve a degree of influence over developments in the newly independent areas.

Finally, I believe we should provide the President with a sizable contingency fund, large enough to give him the ability to act with maximum effect in a critical situation, for it is obvious that any new approach which contemplates the elimination of supporting assistance and, in time, of soft development loans will place heavy pressures on the administration charged with executing such an approach. It is quite apparent that these pressures would probably be severe during the first transitional phase of any profound overhauling of the foreign aid program.

Mr. President, I have not offered these personal and very general recommendations for the future in any dogmatic spirit or with the belief that they will lead to a solution of all our problems with foreign aid. I am also well aware of the difficulties that would be experienced in efforts to give effect to such recommendations. However, I firmly believe that some such guidelines as these are prerequisites to a meaningful and fruitful change in our foreign assistance program, and I believe such a change must take place in the very near future.

Meanwhile, we must confront the foreign aid program as it stands. I think that our total congressional experience with the program leaves no room for doubt that we cannot tear up the blueprints before us and create a new structure on the floor of the Senate. Furthermore, I believe we might seriously jeopardize the national security if we were to slash deeply at the bill without reference to the existing framework, obligations, and objectives. There is also the compelling fact that substantial changes in the aid program have been made in recent times; and further changes have been carried out, consequent to the recommendations of the Clay Committee, which we have followed closely. I am personally persuaded that the reduced foreign aid program in roughly its present dimensions is currently a necessary element in our national security. As such, I believe it requires our support and final passage.

Mr. President, I am not normally given to employing military language in describing our foreign policy. However, in this case I believe we are now on the eve of marshaling our forces for a fresh attack on the problems confronting us in a very fluid period of world affairs. I do not believe that any commander worth his salt would pull the bulk of his forces out of the front lines in making his dispositions for a new assault. I believe that any large-scale departure from our present foreign aid arrangements at this time would pose unacceptable risks to our entire foreign policy position.

Mr. President, I yield the floor.

Mr. MORSE. Mr. President, we are starting one of the most historic debates that has occurred in my time in the Senate. The foreign aid bill which has been reported to the Senate by a voice vote from the Foreign Relations Committee of the Senate is not only a hodgepodge of meaningless compromises; it is also a body blow to the most vital defense weapon the American people possess; namely, their own economy.

It violates the oft-repeated professions of the Government of the United States that we support freedom around the world, and oppose tyranny and denial of self-government.

Enactment of the bill recommended by the Foreign Relations Committee would perpetuate the shocking waste and gross inefficiency which for years have characterized the administration of American foreign aid, both military and economic. The American taxpayers are being "rooked" by our worldwide-flung give-

away foreign aid program. They should rise up and hold to a political accounting any Members of Congress who votes for this bill.

This bill raises such serious monetary and foreign policy questions affecting the welfare of the American people that it must be debated in great detail, section by section and paragraph by paragraph. The welfare of our country calls for its rewriting here on the floor of the Senate.

The apologists for the bill in committee have given to the American people, in their committee report, a great deal of language about the need for future changes in our foreign aid program. But it has not produced those changes; as usual it has expressed pious hopes that the administrators of the program will make the necessary changes in foreign aid sometime in the future. This is the same old snow job that the committee for some years past has got away with. It must not be allowed to do it this year.

#### UNFULFILLED RECOMMENDATIONS FOR CHANGES

Most of the committee report on this bill is a description of its provisions. But in three pages of "Committee Comments" there are briefly put down the many criticisms of foreign aid that were so strongly expressed in executive sessions of the committee.

When Members of the Senate are elevated to the high post of membership on the Foreign Relations Committee, they should be expected to have some measure of the courage of their convictions. Their convictions are outlined on pages 4, 5, and 6 of the committee report; but the committee has failed miserably to do its duty of writing those convictions into amendments recommended to the Senate.

What we have instead is a series of committee amendments that would produce another year of bloated, wasteful, uneconomic, and in many ways dangerous, American foreign aid. Almost every member of the committee has expressed the view that some part of the aid policy should be drastically changed. If the committee was unable to agree on what those changes should be, it should at least have reduced the amounts available for expenditure.

But it did not even do that. Instead, it reported the bill to the Senate with amendments that would make it one of the largest foreign aid programs since 1954.

At the very opening of its "Committee Comments" the Foreign Relations Committee seeks to disown responsibility for the foreign aid bill, even though it is also recommending that \$4.2 billion be spent on it. The committee report states:

To a limited extent, the effectiveness of the foreign aid program depends upon the provisions of the legislation enacted by the Congress.

I pause to point out that Congress is rarely so self-effacing, and it surely would not be in this case were it not for the general and well-known uprising against foreign aid that is going on all over the country.

But the committee continues:

Beyond the necessarily broad specifications of the law the success of the program depends upon the skill and sophistication, the

judgment and farsightedness of those in the executive branch who administer the program. In this respect the enactment of the annual foreign aid bill is an act of faith in the wisdom of its executors.

There is the greatest instance of legislative buckpassing and irresponsibility that I have witnessed in 19 years in the Senate. The Foreign Relations Committee in those words is washing its hands of responsibility for foreign aid, except of course, for its endorsement of \$4.2 billion to be spent on it.

The Constitution does not place Congress, nor the Senate, nor even the Foreign Relations Committee, on Capitol Hill to perform acts of faith in the executive branch. If that is all we are going to do here with this foreign aid bill, then we might better merely turn all the purse strings over to our friends downtown, and go home. We are doing no good here at all if we only perform acts of faith by giving administrators what they want to spend how they please, when at the same time we profess to oppose much of what is being done with the money.

As a member of the Foreign Relations Committee, I am ashamed of those words in the committee report. I do not intend to slough off my responsibilities that way. The success or failure of foreign aid and the foreign policies it is designed to achieve depends far more upon the skill, sophistication, judgment, and farsightedness of the Congress than it does upon all these qualities in its administrators. That foreign aid has been much of a failure as it has is really the fault of Congress. It is our fault because we have not done nearly enough nor gone nearly far enough to set forth the specific policies to govern its administration. It is we in Congress who provide the money; therefore, it is we in Congress who must set forth the way Federal funds are to be spent.

We cannot avoid being held to account for the success or failure of foreign aid, even if we do adopt the practice of the Foreign Relations Committee and decline to take a hand in correcting the abuses and mistakes we know to exist.

The committee report declares its disapprovements in certain aspects of the program. It states:

There have been instances of failure and inefficiency in the field, administrative and organization shortcomings, imbalances in the kinds and amounts of aid extended to certain countries, overgenerosity to some recipients and the neglect of other, more deserving recipients, the proliferation of aid programs—especially military aid programs—to an ever growing number of countries, and inexplicable delays in terminating assistance to countries which no longer need it or which have failed to make productive use of it.

I think that is a serious indictment of foreign aid. Yet Senators will find not one ironclad legislative proposal from the Foreign Relations Committee to correct these failures. The only major recommendation of the committee is for more money than was used last year.

The report states:

The committee is less impressed with the case made by the executive branch for the maintenance of U.S. aid programs, even on a small scale, in virtually every underdeveloped



country in the free world and in a few developed or relatively developed countries.

But Senators will search in vain for any language proposed by the committee to correct this condition.

And again the report states:

The committee sees little merit in aid programs whose sole or major justification is the maintenance of a U.S. "presence" or the demonstration of U.S. "interest."

After seeing little merit in such aid, the committee might be expected to put a stop to it, but no such thing. This report is an advisory opinion, not a program for carrying out one of the biggest expenditures made by the U.S. Government.

Again the committee report states:

It (the committee) is equally unenthusiastic about aid programs, both military and economic, whose major purpose is to provide an alternative to Soviet bloc aid.

But the committee does not stop such aid.

Another committee conclusion is that aid extended through multilateral organizations is often more effective than bilateral aid because they can insist upon more conditions. But all the committee can do is ask the administration to give "careful consideration" to using the authority in section 205 whereby up to 10 percent of development loan funds may be lent to the International Development Association for relending.

Some of the committee's comments are directed to a justification of aid. It found some "significant improvements" in recent years, primarily the degree of concentration of aid in certain countries.

But the important finding was—

The committee believes that major changes remain to be made in the foreign aid program.

Why did the committee not make them? That is the question that the report raises.

Continuing, the committee report states:

In fact, the committee gave serious consideration to an amendment which would have terminated the program in its present form June 30, 1965, so that both the Congress and the administration could consider a major reorganization and reorientation of the program prior to that date. The committee refrained from adopting this amendment in the expectation, which it hopes will not prove unjustified, that the administration will submit a fiscal year 1966 program to Congress which has been revamped in major respects.

That is a nice expectation. That is an elegant form of "passing the buck." The way to revamp foreign aid is to revamp it. I am not too modest to point out that the amendment to which the committee report referred is my own. I ask unanimous consent to have it printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 8, between lines 17 and 18, insert the following:

"SEC. 302. Chapter I of part III is amended by adding at the end thereof a new section as follows:

"SEC. 620. (a) PROHIBITION ON FURNISHING OF ASSISTANCE SUBSEQUENT TO JUNE 30,

1965.—Notwithstanding any other provision of this Act, no assistance shall be furnished pursuant to this Act to any country or area (or enterprise therein) subsequent to June 30, 1965 unless—

"(1) Such country or area has requested such assistance and can show that it is pursuing the following economic, political, and military policies:

"(A) That it (i) is seriously and continuously engaged in measures of self-help, (ii) has taken appropriate steps to assure that its own private capital resources will be utilized within its own country or area, (iii) will encourage the development of the private enterprise sector of its own economy, (iv) has taken adequate steps, where appropriate and necessary, to bring about reforms in such fields as land distribution and taxation to enable its people fairly to share in the products of its development, and that the project or program for which economic aid is requested will contribute to the economic or social development of the country;

"(B) That it is promoting the maximum amount of individual freedom and is encouraging its people freely to choose their own government;

"(C) That it seeks to establish and maintain only such military force as may be adequate to prevent the internal overthrow of an elected government or to deter threatened external Communist attack;

"(2) The furnishing of such assistance is required by an irrevocable commitment made, or contractual obligation incurred, prior to the date of enactment of this section; or

"(3) In case of any such assistance extended in the form of loans, the interest rate thereon is not less than the average rate payable on obligations of the United States of comparable maturities.

"(b) The total number of countries or areas receiving assistance under this Act subsequent to June 30, 1965, shall not exceed fifty."

Mr. MORSE. Mr. President, adoption of this amendment would be a revamping of the foreign aid program. I think it would meet just about all the complaints the committee makes about foreign aid, except the complaint that not enough of our loan money is being channeled through international organizations. It would limit the number of countries receiving aid to 50 and would require them to demonstrate the value of the project, to show that their own capital was being usefully employed at home, show that it is taking steps to enable its people to join in economic progress, and show that it is not diverting resources into military adventures against its neighbors.

Some differences of opinion might be expressed within the committee as to the number of countries we are aiding at the present time. The figure of 107 has been discussed repeatedly in executive sessions but, depending upon how one would define "foreign aid," it is somewhere between 90 and 107. But 90 is too many; 80 is too many; 70 is too many. In my opinion we cannot justify more than 50. It is important to place the foreign aid program on such a footing that applicants come to us, and that we lay down the terms and conditions which must be met before we will spend the taxpayers' dollars for foreign aid in any country. The taxpayers are entitled to that protection.

One of the major criticisms I have against this aid bill is that Congress

would fail, once more, to protect the legitimate rights of taxpayers with respect to a wise and efficient expenditure of their money. It was the clear duty of the Foreign Relations Committee this year, and it is the clear duty of Congress now, to revamp the foreign aid program so that the interests of taxpayers will be better protected than they will be if the bill recommended by the committee should become law.

It was said in the committee by a distinguished Senator, in his examination of various administration witnesses, that there are only eight countries this side of the Iron Curtain that are not receiving some form of foreign aid from the United States. I paraphrase him, but I believe accurately—and good naturedly, because he spoke good naturedly—when I say that he said on one occasion, "I am rather sure that if we do not do something about it, they will be getting it in another year."

For years we have been handing out the taxpayers' money as though it were only paper, instead of hard, cold, legal tender, and in many instances not getting a decent return on the money, but actually making things worse instead of better. It has been said many times that we do not buy friends with huge money gifts. Instead, we buy suspicion, distrust, and eventually enmity.

Mr. President, the people in the underdeveloped countries of the world tell us to our faces, when we engage in serious conversation with them, "We do not understand. We do not understand what you are hoping to get out of this." They do not realize that we believe in freedom, that we have been trying, on the basis of a dedicated interest in freedom, to really make them free. However, in instance after instance we have not been doing it effectively or efficiently; so we have lost a great deal of good will.

Then, too, they do not understand our professions about the loan program—many hundreds of millions of dollars loaned at three-quarters of 1 percent interest, when it is doubtful whether the interest covers the carrying cost of the so-called "loan," along with the 10-year grace period—when some of our allies make loans not at three-quarters of 1 percent interest but at 5 or 6 percent.

The Communist bloc nations, in connection with some of their loans, likewise charge a fair rate of interest.

Mr. President, the American people are saying, "Enough is enough. We have had it." The time has come to revamp the bill.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. MORSE. I am glad to yield.

Mr. PROXMIRE. Is it or is it not true that Russia in its foreign aid program provides loans at a low interest rate, sometimes at 2 percent, sometimes less?

Mr. MORSE. As I recall the evidence before our committee, there is a program of great variation on the part of Russia. Some of her interest rates go up to 5 percent and 6 percent.

Mr. PROXMIRE. But they do have some interest rates which are very low?

Mr. MORSE. I believe that perhaps some Communist countries give money for nothing. That would not be a persuasive argument with me that we should do likewise.

Mr. PROXMIRE. I understand that, I am only trying to develop the facts so that I can understand the situation. The Senator makes a strong argument, which appeals to me very much, and I wish to know what the facts are. Is it also true that the provision in the foreign aid bill this year is somewhat more strict than the provision of last year, inasmuch as it would provide for three-fourths of 1 percent interest for a 5-year period?

Mr. MORSE. Which was opposed by the administration.

Mr. PROXMIRE. With no payment on the principal in the first 5 years?

Mr. MORSE. With some modification of it over the 10-year grace period. Do not forget that the spokesmen for the administration testified against any change in interest rates.

Mr. PROXMIRE. Is it the information of the Senator from Oregon that some of this money is reloaned to persons within the country at higher interest rates?

Mr. MORSE. I believe the record is a little fuzzy on that point. I am not asking for a higher interest rate because the money may be reloaned. I am not going to interfere with rights of sovereignty, once a country gets the money. I merely say we have a duty to determine the terms and the conditions under which it is to receive the money.

As this debate continues in the next 2 or 3 weeks, there will be a considerably detailed discussion of the various proposals which, in my opinion, would amount to an attempt on our part to intervene economically in the affairs of other countries.

I am as much opposed to that as I am to military intervention, but I strongly support our laying down the terms and conditions that applicants must meet to get a loan, just as the Senator from Wisconsin and I have had the experience of going through. I will strike out the reference to the Senator from Wisconsin, because perhaps he has not had to do this, but over the years I have had to meet terms and conditions as I have tried to get loans. I have either met them or I have not received the loans. So far as I am concerned, this is only one aspect, but this aspect involves what I consider to be a duty on the part of the Congress to revamp the terms and conditions that have been applied in the past and are still being applied by the State Department in making funds available to the recipients of foreign aid.

Mr. PROXMIRE. Has the Senator made any calculation of the degree of the subsidy involved? It is my understanding that the Government pays 4 percent on its money at the present time—

Mr. MORSE. I do not think it is 4 percent yet. I think it is 3 point something.

Mr. PROXMIRE. It is close to 4 percent. It depends on the period of the loan. Certainly, 30- or 35-year money

comes close to 4 percent. Possibly it would be more.

At any rate, what I am trying to get at is whether there is any arithmetical analysis of what such loans amount to in terms of subsidy.

Mr. MORSE. I do not have those figures, but I shall be glad to furnish them.

Mr. PROXMIRE. Such figures would be interesting. In looking at such loans, if a program involves repayment over many years, the interest costs are often startlingly high.

Mr. MORSE. That is correct. That is why the amendment I have offered would have required a revamping of the fiscal policies we are to follow in our relations with applicants. If the amendment were adopted, at the end of 1965, an applicant would have to follow those procedures if he sought a loan or a grant.

Let me say again, because the issue will arise again and again in the course of the debate, that I am not seeking an end to grants. I am seeking an end to most of them. I am seeking to change the ratio of grants to loans, so that the major expenditures will be in the form of loans and not grants.

In the early 1950's, when foreign aid appropriations were at their peak, the ratio of grants to loans was about 94 to 6 percent.

Mr. PROXMIRE. Ninety-four percent grant money.

Mr. MORSE. Ninety-four percent grant money.

The figures may be off a percentage point or 2, but in recent years they have been in the neighborhood of 60 or 64 percent grants, and the rest in loans. The ratio should be reversed. We should give consideration to whether or not we could have a good foreign aid program with 75 percent loans and 25 percent grants.

There will have to be various grant programs for such humanitarian purposes as food for the starving, malaria control, assistance for education, and all such programs that go specifically to the protection of human values. This great humanitarian Nation is not going to stop carrying out moral principles. We have been providing grants for services which ought to be based on loans, instead of grants.

Mr. FULBRIGHT. Mr. President, will the Senator yield on that point?

Mr. MORSE. I yield.

Mr. FULBRIGHT. Merely for the record—I do not wish to disturb the Senator's argument—there was testimony in the hearing relating to this point. I think the Senator said 60 percent of the funds were for grants.

Mr. MORSE. Last year.

Mr. FULBRIGHT. The testimony appears in the House hearings on this particular point. Mr. Bell was testifying:

Mr. BERRY. With regard to our aid, which is nearly in the form of loans, now, isn't it?

Mr. BELL. I think the figure is over 60 percent, Mr. Berry.

Mr. BERRY. In the form of loans?

Mr. BELL. Yes, sir.

Mr. BERRY. On the other 40 percent—

Mr. BELL. A large part of the other 40 percent is the technical assistance which we give, in which we provide technicians. We pay their salaries and travel expenses and so on.

I point out that much of that grant goes to international agencies, such as UNICEF, in the United Nations.

Mr. MORSE. Yes; but the figures the Senator has just pointed out were challenged. Mr. Bell's figures were challenged from the standpoint of definition. What he calls loans, in my judgment, to the tune of hundreds of millions of dollars, are not loans at all. They are huge subsidies. Merely saying that something is a loan does not make it a loan. In my judgment, a so-called loan at three-quarters of 1 percent, with a 10-year grace period, is not a loan at all. Mr. Bell can call it a loan, but if anything is collected, all that is collected is a part of the service charge for shuffling the papers in connection with that grant.

That is a part of the problem in connection with the foreign aid program. There is a pattern of dogmas; and there are many people in the Department swallowing those dogmas. When Mr. Bell takes the witness stand and says the transactions are loans, it does not make them loans. He should show what the taxpayer gets out of it. The fact is that it is not very much.

I also point out that he was talking about economic aid, not the foreign aid program as a whole. That is what I am talking about. Take a look at military aid, to the tune of many hundreds of millions of dollars. The overwhelming percentage is grant, not loan. The overall foreign aid program is still substantially a grant program, and not a loan program. Take a look at the definition and then determine what it costs the American taxpayers.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. PROXMIRE. The Senator has taken the position that we recognize the necessity for a substantial grant program, but that the grant program has been too big in the past and should be reduced.

Does the Senator also argue that, from the standpoint of efficiency and the effectiveness of this money, it is likely to be used more efficiently and honestly if there is a loan program—a fairly hard-headed loan program—under which people are required to account for the money and make some kind of program and plans for repaying the money?

Mr. MORSE. I agree.

Mr. PROXMIRE. And if they are able to secure funds only if they find there is a sound, workable, economic opportunity available?

Mr. MORSE. That is a part of the position I take. I shall detail that theme in subsequent speeches. Suffice it to say now that I favor loans in the field of foreign aid. I think the administration of these loans ought to be handled through lending agencies such as the Inter-American Bank, of which I have always been an ardent advocate, and other lending agencies that may be created.

I am also a project-by-project man and a government-by-government man. I look askance at a system under which the U.S. Government hands over money



to government X, for example. I want to see a revamping of our program so that if a country wants a railroad, a road, or a harbor, the country makes an application for a loan in relation to that project, and the money is not merely handed over, but will be made available as progress is made on the construction of these projects.

We have had pretty good experience as to how the program works in this country, have we not?

Mr. PROXMIER. I agree.

Is it not true that less graft and dishonesty may result where that kind of arrangement is in effect? We recognize that in many countries there must be grant programs, because it is the only kind they can have.

Mr. MORSE. I could not raise my right hand and swear and take the witness stand and give proof of a great deal of graft and dishonesty. It has not been in my province in investigations to seek such evidence.

Mr. PROXMIER. I believe that is correct.

Mr. MORSE. All I can give the Senator is what has been reported to us, even by Government witnesses, from time to time, as well as by other qualified people who have had sad experiences in various parts of the world in connection with governmental dishonesty, corruption, and graft. Therefore, I give my impression as a member of the Committee on Foreign Relations. My impression is that there has been entirely too much of it, and we will not stop it until we revamp the terms and conditions and policies which shall prevail in connection with making American taxpayer money available for the so-called foreign aid program.

Mr. PROXMIER. I believe the Senator has made an excellent answer. I should like to modify the implications of my question by agreeing that there has probably not been a great amount of graft or stealing. There has been some, and it has been proved or stipulated by authorities, but there has not been very much. I believe it is true that there has been a great amount of waste and inefficiency in connection with projects which have not worked out, projects which were not needed, and which, on the basis of careful analysis would probably have never been made if they had been required to be made on a hard-headed loan basis.

I find the Senator's argument persuasive, and I am delighted that he has made it.

Mr. FULBRIGHT. Mr. President, before the Senator from Oregon resumes his prepared speech, will he yield to me for a moment?

Mr. MORSE. I am glad to yield to the Senator from Arkansas.

Mr. FULBRIGHT. Of course, I am very glad to have the Senator explain his point of view on the bill. However, to say that loans are not loans completely negates the idea of an understanding or explanation of the situation. The Senator says the fact that Mr. Bell or the administration calls them loans does not make them loans. I agree. Even if the Senator from Oregon says

something, his saying it does not make it so. However, what are the facts? The facts are that as to the loans, the principal is repayable, regardless of whether or not interest is collected on them. The Senator says that a three-quarters of 1 percent interest rate does not make a loan a loan. I do not know, then, what a loan is. If there is an undertaking to repay the principal on a certain date, I do not understand that that is not a loan. It is not a bankable loan. It was not set up in order to make money. It was never intended to be, in the foreign aid bill. I do not pretend it to be, and no one else does.

It is not like loans from the International Bank for Reconstruction and Development. They are not set up in that fashion. However, they are loans, as distinguished from the grants that were made under the Marshall plan, when there was no expectation of having a repayment of the principal.

If all that the Senator is arguing is that the interest rate is too low, that is another matter. However, when the Senator says that calling them loans does not make them loans, I become completely lost. I do not know how we are going to enlighten the public by that kind of argument. What does the Senator call an undertaking by a company in South America or elsewhere to pay back an amount of money in 35 years at a low rate of interest? What does the Senator call it, if it is not a loan?

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill—H.R. 6500—to authorize certain construction at military installations, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON, Mr. RIVERS of South Carolina, Mr. PHILBIN, Mr. HEBERT, Mr. ARENDT, Mr. NORBLAD, and Mr. BATES were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a joint resolution—House Joint Resolution 782—making continuing appropriations for the fiscal year 1964, and for other purposes, in which it requested the concurrence of the Senate.

#### AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill—H.R. 7885—to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. FULBRIGHT. Mr. President, may I ask if the message from the House on continuing appropriations applies to the foreign aid program. Is that what the message refers to?

The PRESIDING OFFICER. The Chair does not understand that the Senator's inquiry is a proper parliamentary inquiry.

Mr. FULBRIGHT. I withdraw it.

Mr. MORSE. If it were, it could not come at a more auspicious time, and could not be a better example of serving notice on the American people that they had better direct all their attention for the time being upon the politicians whom they have elected to Congress, to hold them to an accounting as to whether or not they will support this continuing waste of taxpayer money.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MORSE. I would like to answer the Senator from Arkansas in a moment, but I yield to the Senator from Vermont.

Mr. AIKEN. I wonder whether the Senator would not agree that the time has come when we should stop adopting continuing resolutions and get busy on deciding whether we shall pass appropriation bills.

Mr. MORSE. I could not agree more with the Senator.

Mr. AIKEN. It seems that we are overworking the continuing resolution procedure and postponing the facing of issues.

Mr. MORSE. The American people ought to be told that if we do not pass a foreign aid bill until next February, it will not have any detrimental effect on the interests of the United States in the whole field of foreign policy.

The matter can go over until the entire bill is revamped. The idea that we are faced with a mad emergency situation requiring immediate legislation is an old game. The American people should prepare for a great barrage of scarecrow headlines about crisis after crisis, and as to what will happen unless Congress passes the foreign aid bill demanded by the administration. I have seen that happen year after year. There is a terrific lobby that will waste a great amount of paper designed to scare the American people into bringing pressure upon those of us who will not knuckle under and agree with the Pentagon, the State Department, the CIA, and the White House. The American people should get ready for it. It will be a terrific campaign.

Now I wish to reply to my good friend from Arkansas. I do not believe I need tell him that I am pained to find myself in such complete disagreement with him on the pending bill, because usually the Senator from Arkansas and I are not in disagreement. I shall later, in my manuscript show that I am not raising any question as to the sincerity, loyalty, or dedication of the proponents of the bill. I merely cannot understand their lapse of good judgment. I believe they are completely wrong. That is why I am not a party to their proposal in connection with the pending bill.

I want to go back to the argument that merely calling something a loan does not make it a loan. I wish to tell the Senator from Arkansas my fear. He should prepare for the fact that many hundreds of millions of dollars of such loans will never be collected, and no serious attempt will ever be made to collect them. I am not interested in what label is put on the so-called loans. The fact is that in my judgment a large percentage of the so-called loans will never be

paid back. One excuse after another will be given for not pressing a poor country, to collect the loan, because of a crisis that has arisen in that country.

The fact that we put the label "loan" on it does not make it a loan; nor does it mean that the taxpayers will ever get any of the money back.

The committee goes on to say:

Specifically, the committee believes that countries which can take care of themselves should be eliminated from the program, that even more selectivity among countries should be introduced, and that prompt and serious consideration should be given to a greatly increased utilization of multilateral agencies, such as the International Bank for Reconstruction and Development, and its subsidiaries, notably the International Development Association.

When a congressional committee reports such a belief, it surely owes a duty to Congress and to the American people to act on those beliefs.

The time has come for the Senate to make clear to the Committee on Foreign Relations that it has had enough of its promises, and that it is going to rewrite the bill on the floor of the Senate.

I wish to advise the Senate that within the Foreign Relations Committee there is far from unanimity on the bill. Unfortunately, the usual legislative rationalizations that so frequently rear their heads in committees at the time of the markup of major legislation were urged in the Committee on Foreign Relations again this year and produced this unsound bill.

Every Senator knows the line of rationalization to which I refer. The arguments always are about like this:

The House has already reported a bill with a much smaller amount. Therefore, we must recommend a bill with really more than we think should pass, in order to compromise with the House in conference.

As I have always said to the Senate, such a rationalization is nothing but intellectual dishonesty. It is a form of deception. It is not good faith conduct.

Senate committees owe the obligation to the Senate and the American people to report the Senate proposed legislation that they believe to be sound, not unsound, and authorization requests that they believe to be justified, not excessive.

Senate committees cannot justify recommending legislation that they know contains many bad features, but which is being sent to the Senate for the purpose of legislative jockeying with the House. When a committee acts on that premise, one never can be sure how much jockeying is going on among Members within the committee itself, in order to get other Members to support the compromising technique and, thereby, report to the Senate sections of a bill that some members of the committee hope will remain in the bill. The arguments of expedience are used in committee to seduce others to vote to report the bill to the Senate on the basis of the rationalization that the section will be dropped out in conference anyway.

Time and time again in my years in the Senate, I have seen bills come to the floor of the Senate with sections that have been adopted in committee on the basis of such motivations, only to find

that they remained in the bill on the floor of the Senate and remained in the bill after conference. The Senate as a whole should rebel against this type of committee markup action. In my opinion, this foreign aid bill is honeycombed with such action.

A second argument made within a committee is that Senators should agree to report a bill even though they disagree with many parts of it, because they can reserve the right to offer amendments on the floor of the Senate. Of course, as we all know, every Senator has that right anyway, but he should never lend himself to voting to report a bill to the Senate when he knows that there are in the bill major features with which he does not agree. If Senators would stop the practice of agreeing to report a bill to the Senate in order to accommodate other Senators who want to get some bill before the Senate, and instead would insist on registering their vote in committee against the bill, a reform would be brought about that would do more to improve the legislative process in the Senate than all the other Senate reforms that are being proposed these days.

The place where a serious breakdown occurs in the legislative process of the Senate is within the committees themselves, at the time of the markup of bills. It is there that the bad compromises are agreed to, and many Senators who enter into those compromises try to rationalize a vote to report a bill to the Senate with the unsound argument that they reserved the right to support amendments to the bill on the floor of the Senate. They cannot justify shuffling off their legislative responsibilities that way. They owe it to their constituents to vote against any bill in committee that, in their judgment, contains major defects.

Do not tell me that if every Senator would take that position the legislative process would bog down and little or no legislation would be reported to the Senate. That argument is nonsense. To the contrary, if Senators would stop passing the legislative buck in committee at the time of the markup of a bill and insist that only bills which a majority of the committee believes are sound shall be reported to the floor of the Senate, the quality of legislation would be greatly improved.

Furthermore, it is not necessary to report a bill to the Senate with a favorable report. If a committee becomes deadlocked over an item in a bill, it can and should report a measure to the floor of the Senate accompanied by an adverse report of the committee. In my judgment, that is the kind of report that should have accompanied this foreign aid bill.

The committee held extensive hearings on the bill. It spent a long time on the markup of the bill. There was much opposition within the committee to section after section of the bill. In my opinion, the bill does not, in fact, represent a consensus of approval of a majority of the members of the committee. Individual members of the Committee on Foreign Relations can tell us how much they disagree with this or that section of the bill. But the committee itself did

nothing about them. At the very least, the committee should have reported the bill to the Senate with a detailed statement which would have added up to an adverse report, setting forth the adverse opinions of committee member after committee member, totaling, in my judgment, well over a majority, to various sections of the bill.

Let us face it. The bill is the product of many powerful pressures. Some of those pressures are partisan.

This foreign aid bill, even with such feeble and inadequate changes as have been made in committee, is still the administration's foreign aid bill. There are those partisans who seem to think that unless Democrats go along with the bill, in some way, somehow they will become disloyal to the administration and the Democratic Party. That is more nonsense.

In my judgment, each of us, irrespective of our party responsibility, owes the obligation to our constituents to exercise an honest independence of judgment on the merits or demerits of the bill, testing the bill against the facts as we find them and by where the public interest lies. Such analysis shows that the bill is not in the best interests of the taxpayers and of the country.

The bill is the product of powerful administration lobbying. The State Department, the Pentagon, CIA, AID, the White House, business groups, and labor unions have been turning on the political heat for months, seeking to ram the major features of the bill through Congress. It is my view that partisan considerations have no place in a congressional consideration of what our foreign aid program should be.

No Democrat can justify voting for the bill on the grounds that party loyalty calls for such a vote because it is an administration bill. Rather, party loyalty calls upon him to vote only for a bill which, in his opinion, is in the best interests of his country, because only then will the bill be in the best interests of his party.

The same goes for the Republicans. No Republican can justify voting against this bill simply because its main features constitute a Democratic administration bill. He, too, has the same obligation to the Republican Party of voting only for a bill which, in his opinion, will promote the best interests of his country, because only such a bill would be in the best interests of the Republican Party.

In the course of this debate, we who are opposed to the bill will bring our case against the bill based on the major premise that the bill is against the best interests of our country from the standpoint of many domestic and foreign policy issues.

The amendment reported by the committee should never go to conference. The bill should be rewritten on the floor of the Senate, with the Senate acting as a committee of the whole, because, in my judgment, the Committee on Foreign Relations has failed the Senate in reporting such an unsound bill to the Senate.

In spite of the powerful lobbies, governmental and nongovernmental, which have been flooding the country with



their support of the main features of this bill, I am satisfied that an overwhelming majority of the American people are already fed up with the waste, maladministration, and unsound foreign policies of many features of the bill. Their numbers will increase in landslide proportions once the people of our country, as a whole, realize how they are being taken for an economic ride by the foreign aid program. We have already poured into it, since 1946, more than \$100 billion. We have already given more than \$41 billion of aid to Europe. We have been taken for more than \$9 billion by France, and we are now collecting our dividend from France in the form of De Gaulle's anti-American, nationalistic program.

The American people are not only fed up with the foreign aid program; they are also preparing to react against it at the citadel of American freedom—the voting booth.

Let me make clear that I do not question the loyalty to party or country of those who support the bill; but I do disagree with their judgment. I disagree with many of their interpretations of history and with their evaluation of facts. In many respects they have allowed themselves to assume that the sound reasons that existed for foreign aid at the time of the historical, courageous stand of President Harry Truman, when he enunciated the Greece-Turkey Truman Doctrine; at the time of the adoption of the Marshall plan, which saved all Europe from communism; and at that time of the ratification of the NATO Treaty in 1949 are reasons which continue today and, therefore, justify the bill. It is the position of many of us who oppose the bill that those sound reasons for foreign aid of the era of the Truman Doctrine, the Marshall plan and the first years of NATO no longer exist. Foreign aid of today bears no resemblance in either cause or effect to the justification of foreign aid in the late 1940's and early 1950's. We propose to prove it as this debate progresses.

Mr. HOLLAND. Mr. President, at this point will the Senator from Oregon yield?

The PRESIDING OFFICER (Mr. McINTYRE in the chair). Does the Senator from Oregon yield to the Senator from Florida?

Mr. MORSE. I yield.

Mr. HOLLAND. There is much substance to many of the statements made by the Senator from Oregon in regard to our foreign aid program in many places; but I wonder whether he also directs his statements to the situation in the Western Hemisphere. Inasmuch as we did so little for Latin America for so long, and inasmuch as we also know that Latin America is in a very confused and unstable condition, let me ask whether the Senator from Oregon believes that perhaps a different rule might apply to Latin America and to our dealings with the countries of Latin America, as compared with the rule applying to our dealings with other parts of the world.

Mr. MORSE. I favor providing to the countries of Latin America much more economic aid, under the terms I

have already stated in the course of this speech; but I would propose that we extend much less military aid to Latin America—for reasons which I shall state during the next few days, in connection with the debate on the bill. I am not opposed to all foreign aid, but I am opposed to this foreign aid bill. I favor foreign aid which will be so devised that it will protect the interests of our country. However, in my judgment this bill would harm the interests of the United States, just as the administration of foreign aid in the past several years has harmed the interests of our country.

During the executive session of the committee, it was interesting to hear Senators, who apparently have gone along with the bill in order to get it to the floor of the Senate, berate the inefficiency of the administration in connection with our foreign aid around the globe, including the Western Hemisphere, and tell about the terrific waste of the personnel of foreign aid. I say frankly to the Senate that members of the committee expressed great concern about the lack of justification for all the personnel now being used in the administration of foreign aid; and I do not think I am guilty of an overstatement when I say that many Senators thought the personnel of foreign aid could be reduced at least 30 percent, and some Senators thought it could be reduced 50 percent.

Mr. President, Senators cannot pass that buck to the Kennedy administration. If that feeling exists, and if the facts support that feeling—and I am satisfied that they do, we have a clear duty to rewrite the bill during the next 3 weeks on the floor of the Senate. In my judgment, it will require that length of time to accomplish that task. I do not know of anything more important to the welfare of the United States than to stop the shocking waste and inefficient policies of our foreign aid program—some economic and some military—that are jeopardizing the best interests of the United States in many parts of the world.

Before I conclude my speech, I shall make some references to the problem in the Western Hemisphere and to some of the things which I think we need to do in order to have a better aid program.

Mr. HOLLAND. Mr. President, will the Senator from Oregon yield further to me?

Mr. MORSE. I yield.

Mr. HOLLAND. I am not in any sense finding fault with the Senator's statement with reference to our aid to other areas.

Mr. MORSE. I understand that.

Mr. HOLLAND. And not even with reference to his statements about our aid to the countries of the Western Hemisphere. However, it seems to me that there is a much more intimate relationship between our country and our Western Hemisphere neighbors than the relationship between the United States and the rest of the world. Also, we know firsthand about the confusion and the instability which exist in Latin America, and we also know firsthand about the good results which have come from numerous specific things we have done

there. For example; I think of the Inter-American Highway. I believe we have had great good from it, and that the nations traversed by it have come into much closer cooperation with each other. I see the gap existing from the Canal through the central part of Colombia and through the Darien Isthmus, and beyond, which I think needs some attention.

From my own observation and travel, I can find various places where material things can be done, which will be of great advantage to those countries, and of some advantage to the United States; and I believe they will be productive of specific, longtime, favorable results. Those are the kinds of things I have in mind when I suggest that we can do many worthwhile things in Latin America if we find the way to do them to the best advantage.

So I hope the distinguished Senator from Oregon, the chairman of the Foreign Relations Committee's subcommittee which deals with Latin America, will, in this speech or in later speeches, deal rather specifically with that subject. For a long time I have felt that we have had a much more fertile field for well directed and well performed foreign aid there than in any other place in the world.

I thank the Senator from Oregon for yielding to me.

Mr. MORSE. Mr. President, I agree with the Senator's outline of objectives which he has given the Senate. I am in complete agreement. Before this debate is over, I shall discuss the Latin American situation. We have accomplished some good there; but I am afraid that when we consider our program in Latin America in its totality, we find that we have caused more harm than good, to date. It is sad to have that belief, but in my opinion that is the actual situation. That situation exists because we are doing such a poor job in administering the foreign aid program in Latin America. So much of the program has been based on a government-to-government relationship, rather than on a project-to-project relationship; and much of our program has strengthened antifreedom forces in Latin America. We have permitted the oligarchs there to dig in, whereas they should be participating with us in investing their earnings in the economic future of Latin America. We have frightened a good many of the democratic leaders of Latin America; and many of the governmental leaders there are greatly concerned about what we are doing in Latin America that is making it more difficult for them to defend the cause of freedom.

On Friday, I sent by page to the Secretary of State a confidential message reporting on what a very high official of a Latin American country told me; and his statement added up to a complete disagreement with U.S. policy. He is one of the great democrats in all Latin America. Before I finish my speech today, I shall deal indirectly with some of the charges he made.

I am pleading for a strengthening of the Alliance for Progress program; but if we do not revamp and rewrite this bill on the floor of the Senate, the program will increase the problems of the United

States in Latin America, rather than diminish them. In my judgment, the program called for by the bill as it now stands would be welcomed by Communist influences in Latin America. I believe that the bill as it now stands would strengthen the forces against freedom in Latin America.

I speak soberly and solemnly when I utter those words. In my judgment, the proposed foreign aid program is not the way to win freedom in Latin America.

It is essential that this be a lengthy debate, because the Foreign Relations Committee has made it necessary to turn the Chamber of the Senate into a great educational assembly hall to be used for the dissemination of information to the American people about the many weaknesses and failures and unsound policies of the foreign aid program.

We think it is important that the Senate be given an opportunity to consider thoroughly each item in this bill. We think it imperative that the American people be informed about this bill so that when they come to cast their votes as jurors, they will be voting on the basis of an enlightened understanding of the great harm that is being done our country by our foreign aid program as it now operates.

Therefore, we have notified the leadership of the Senate most respectfully that we will not agree to any unanimous-consent agreement calling for any time limitation on debate in connection with any amendment to this bill or on the bill, itself. We shall, of course, reconsider our position on this procedural matter if later on in the debate we become convinced that there has been full and adequate discussion of any amendment or of the bill itself.

I wish to make our procedural position very clear. What we are saying to the Senate is that we shall object to any unanimous-consent agreement proposal that seeks in advance of debate on any amendment or on the bill to limit the time for debate on that amendment or on the bill, and to fix a time certain to vote. We will never grant that agreement. We are going to insist on full debate in advance of any agreement. Whenever we become convinced that there has been adequate time to express our opposition to an amendment or to the bill, then, as I have told the majority leader, we shall be glad to sit down with him and see if we can arrive at terms and conditions for further limitation on the amendment, and in order to accommodate our colleagues, as a matter of convenience, fix a time to vote on that amendment. Frequent use of unanimous-consent agreements has had a very sad and detrimental effect upon the debating process in the Senate. The people who elected us to office have a right to expect us to be present during the course of debate.

They have a right to expect us to make whatever contribution we can to the substantive matter under debate.

The Senate is not merely a voting chamber. Our forefathers did not establish the Senate solely as a meeting place for Senators to come, before the roll is called, to cast their vote. In my judgment, that growing practice has

polluted the stream of the legislative process in this body. That is why some of us, for some time, have tried to slow down the tendency in the Senate to act only under unanimous-consent agreements which fix a time certain to vote. We know what happens. With such an agreement, Senators are conspicuous by their absence.

That is why some of us who are interested in Senate procedural reform believe that committees, as a general rule, should not be allowed to meet while the Senate is in session. However, each Senator has the right to try to obtain such an agreement if he can. But we also have a right to prevent it; and as far as this issue is concerned, there will not be any such unanimous-consent agreement—and the majority leader knows it. He is our leader, too. Out of consideration for our rights I have no doubt that he will see to it that no such agreement is entered into in the absence of opponents of the bill.

However, those of us who take this position hold to the point of view that the subject matter of foreign aid is so vital to the welfare of the American people and the future of our country that we must insist that no restriction be placed upon full debate to the time that we are satisfied there has been full debate.

We have no intention whatsoever in engaging in a filibuster or in any prolonged debate tactic aimed at talking any section of this bill or the bill, itself, to death. However, we do intend to speak at whatever length is necessary to make the historical record that we think must be made for future reference and for the consideration of the American people who, I repeat, are going to cast the final vote on this subject matter.

#### CHOICES OPEN TO SENATE

Because its committee has failed to do the job needed to make sense out of foreign aid, it will be up to the Senate to do the job. The Senate has several alternatives open to it.

It could reject all the amendments of the Foreign Relations Committee. They are primarily amendments adding \$700 million on to the House-passed bill. Certainly if neither the committee nor the Senate wants to undertake a substantial rewriting job, the best thing to do is simply cut down the sums to be spent. We can do that by accepting the House bill. The House bill is not good in all its details; it could be perfected. But it is, in my opinion, much better than the committee recommendation, if for no other reason than it makes meaningful reductions in the amount available.

The group met last Friday. There were many who could not be present at that time—they were away or had other commitments, but gave assurance they would be with us at subsequent meetings to consider opposition to the bill. There was at the Friday meeting an expression of point of view on the part of several Senators that we should seek to substitute the House bill for the Senate committee version.

I would much prefer that we come to grips with all facets of the foreign aid problem and rewrite the bill in the Chamber. I hope that course of action

will be followed, but if I should find myself in some kind of parliamentary box, where I would have to make a choice between the Senate committee amendment or the House bill, I shall vote for the House bill. It may very well be that in the course of time such a substitute proposal will be made.

A second path open to the Senate is to turn the Senate into a Committee of the Whole and rewrite the bill here on the floor. We will have enough amendments offered to do that. There is no lack of guidance as to how the bill should be written. We need only look at the committee report, and then translate the committee's criticisms into law.

The committee report is a devastating attack upon the foreign aid program. The truth is that the committee itself points the way to a revamping of the Senate bill. The sad fact is that the committee did not do its job. On the basis of the committee's own criticisms of foreign aid, it should have brought an entirely different bill to the Senate.

On the basis of the committee's own criticisms of foreign aid, I am at a loss to understand why it believes the Senate can justify passing the bill the committee has brought to the Senate.

On the basis of the committee's own criticisms of foreign aid, the committee should have at least reported the bill to the Senate adversely.

Mr. PROXMIER. Mr. President, will the Senator yield on that point?

Mr. MORSE. I yield.

Mr. PROXMIER. I believe the Senator has referred to page 5 of the committee report:

Specifically, the committee believes that countries which can take care of themselves should be eliminated from the program, that even more selectivity among countries should be introduced, and that prompt and serious consideration should be given to a greatly increased utilization of multilateral agencies, such as the International Bank for Reconstruction and Development and its subsidiaries, notably the International Development Association.

I ask the Senator from Oregon if the countries that can take care of themselves have been eliminated from the program. If so, which countries are they, and what savings have been involved in their elimination?

Mr. MORSE. The answer is simple. The answer is no. On the basis of the criticisms of the committee, the committee should have given the Senate the benefit of its recommendations as to what countries could be eliminated.

Mr. PROXMIER. There are countries, however, which can take care of themselves.

It is my understanding that Chester Bowles—a great administration champion of the foreign aid program a former Governor, Administrator, and Ambassador—made the statement many months ago that there were some countries in which the foreign aid program, or economic assistance program, was wasteful. As I recall, there were a number of such countries which could not take care of themselves, but which were not ready for aid. They could use the Peace Corps and food for peace, or they could use some kind of aid of that kind, which is not



included in the bill, as I understand. I wonder whether any countries in such status have been eliminated from the program.

Mr. MORSE. The administration would point out that they are not giving a great deal of aid to countries X, Y, and Z, but they are giving aid, as I have said earlier in my speech, to some 107 countries. That is ridiculous and absurd; an unjustifiable expenditure of the taxpayers' money, which is being poured into 107 countries around the globe.

The committee had a duty, in my judgment, to bring to the Senate a bill cut down in amount, a bill cut down in the number of countries to receive aid, and a bill cut down in a good many other respects, as the amendments which I shall be offering from day to day will show.

Mr. PROXMIER. I should like to ask the Senator to go back to a point made previously, that we still have a program which involves heavily subsidized loans. They are subsidized in the sense that the interest rates are far below what the Federal Government has to pay for the money it borrows to loan again.

I wonder whether the Senator can inform the Senate as to whether our allied countries have made loans of this kind. It is my understanding, according to the committee report, that \$2 billion is the total of all aid from other industrialized countries, in net expenditures.

I am wondering if countries that are on our side have made loans at low subsidized rates or if their rates are generally higher.

Mr. MORSE. As the Senator knows, I always have to be very careful about the accuracy of statements I make. If I make an inaccurate statement, it is only because I am acting on the basis of information made available to me from what I consider to be reliable sources. I am not going to "curbstone" on the information to which the Senator has referred. I will give the Senator my opinion on what the general policy is. The general policy is that few, if any, countries make loans on such easy terms as we do. The easiest terms are usually available only to former colonies, where strong investment and financial ties with the lending country remain. I shall try to obtain more specific information for the Senator.

Mr. PROXMIER. I appreciate that. Another part of the committee report indicates that we should do everything in our power to persuade our prosperous allied countries to do far more than they have done in the past to provide a foreign aid program. We recognize that the growth rate of many of those countries is greater than ours, in proportion to their gross national product.

I wonder if there is any provision of any kind in the bill to bring that purpose about, or if any effort of any kind has been made to require or stipulate a greater participation by our allied countries.

Mr. MORSE. A pat on the wrist and support of the Morse amendment by the statement that if the administration does not do something by the end of fiscal 1965, Congress ought to do something.

It is the same old "come along" and seductive argument that we have been faced with for years.

For years we have known that this program ought to be modified. The American people have had the carrot with the foreign aid stick held out in front of them to bring them along in support of a foreign aid bill. In my judgment, that kind of legislative and executive hypocrisy ought to stop, and we ought to make corrections here and now.

The press this morning reports that the Secretary of State and Mr. Erhard, of West Germany, apparently are in agreement that there ought to be a great strengthening of NATO. Who is going to pay the bill? I have heard that kind of tommyrot before. That is the kind of propaganda I was talking about earlier this afternoon when I said to the American people, "Be on your guard. The Secretary of State, the Secretary of Defense, and one administration official after another will try to scare you out of your clothes in the next few days by dire predictions of what is likely to happen if your representatives in Congress have the courage to stand up and rewrite the bill on the floor of the Senate and bring to an end this shocking waste."

They do not scare me. I am a pretty hard person to scare by that kind of talk. I have a few questions I wish to ask the Secretary of State about American foreign policy and NATO. Let him "hit the trail," on platform after platform, and justify the State Department's policy in regard to NATO. He cannot do it. The NATO countries have been taking us for a ride, aided and abetted by the State Department, the Pentagon, and the White House.

Consider the number of troops we have in Europe today. There are more boys there in American military uniform than in those of France, Canada, and Great Britain combined. We sent our Secretary of State over there because Erhard became a little excited, thinking an airlift might mean we were going to take some boys out of Germany. I say on the floor of the Senate today that we ought to take thousands out of Germany. We cannot justify having the number of American boys in Germany that we have there today.

The German leaders know it is not those boys that are making them safe. The German leaders know that if Russia moves against the freedom of Berlin and West Germany, Russia will have "had" it. Of course, we shall have, too.

There is no question about the determination of President Kennedy to see to it that the Russians do not take over Germany.

Do Senators think it is easy for me, with the dedication I have to the President of the United States, to stand on the floor of the Senate and state my complete disagreement with him on the question of foreign aid? I have pleaded for months with administration leaders to rewrite the program, so that we could be united on it and go before the American people as a united group, asking them to support a sound foreign aid program.

In my judgment, this administration has failed in its responsibility to the American people in the foreign aid program by not sending to Congress a redraft of the foreign aid program the moment this administration knew of the serious revolt that had arisen at the grass roots and at the precinct level of the country against the foreign aid program. If this administration does not know it, it is going to discover it.

I am keenly disappointed in the statements coming from the Secretary of State these days, and from the Pentagon.

I did not ask for this fight, but it is my judgment that I would fail the people of my State if I did not oppose the foreign aid bill in its present form.

I have done my best to study the facts about foreign aid. I came to the conclusion a year ago that the facts showed that the foreign aid program was so much against the best interests of my country that I opposed it then. There has been no improvement in the administration of foreign aid. I shall continue to oppose it until at least the committee criticisms of foreign aid, about which nothing was done to bring about corrections, are recognized and the bill is rewritten to take care of these deficiencies.

The Foreign Relations Committee recognized the criticisms. In my judgment, one cannot read the committee report and sanction the bill.

Senators should have been in the committee. They should have heard the great concern about Pakistan. It was deplorable. It was terrible that Pakistan should be entering into air landing rights agreements with Red China; that Pakistan should continue its anti-American attitude. But when we tried to cut back the bill, and efforts were made to withhold aid until Pakistan makes up its mind whether it is with the United States or with Red China, a remarkable attitude seemed to overcome the committee. It gave us the language for reform on foreign aid, but it did not give us the reforms. That is why I think we must turn the Senate into a Foreign Relations Committee and write a new foreign aid bill in the next 3 weeks. That is why those of us who are opposed to the bill have no intention of having it rushed through the Senate. That is why in the next 3 weeks there needs to be a debate from coast to coast, until the American people become aware of the facts.

Mr. PROXMIER. Mr. President, will the Senator yield further?

Mr. MORSE. I yield.

Mr. PROXMIER. The Senator has pointed out to the problem of our having many thousands of troops in Europe, at great cost to this country.

They are serving the interests of this country primarily, but they are also serving the survival interest of West Europe. They represent an element in foreign aid. They represent a contribution which this country is making, as the Senator from Oregon has pointed out, of great proportions to the survival of West Germany, France, England, and other countries.

Is it not correct to say that if we recognize that contribution and add to it the \$4.2 billion which the committee

is asking the Senate to authorize for appropriations, and add the food-for-peace program, with hundreds of millions of dollars more, and add other foreign agencies, like the Peace Corps, with tens of millions of dollars more, and many more programs—

Mr. MORSE. And the maintenance of our troops abroad.

Mr. PROXMIRE. There are many more programs that we cannot even locate, and with respect to which even the Director of the Bureau of the Budget cannot tell us how much we have given and will continue to give. The Senator from Oregon is talking about only one part—perhaps the biggest part, but only one part—of the burden that has been placed on the American people. That burden is far greater than the \$4 billion sought here.

Mr. MORSE. Much greater.

Mr. PROXMIRE. We are making a contribution to allied countries which can afford a much greater sacrifice than they are making. They are making a lesser sacrifice than they should be making.

Mr. MORSE. In one of our presentations, in the course of the debate, we shall give a detailed breakdown of the total expenditure of American dollars abroad. It is quite different from the total expenditure for foreign aid. Let us take, for example, the maintenance of America military personnel abroad. We must add that cost to the cost of the foreign aid program.

Mr. PROXMIRE. I may suggest to the Senator that in foreign aid we would have to consider any amount of money that is spent in this country for goods which are sent abroad. As I understand, there has been a very strong attempt, and in some respects a very successful attempt, to spend our money in this country for military assistance sent abroad, such as, for example, the expenditure for tanks, planes, and other military materiel.

Mr. MORSE. That is the argument of bribery.

Mr. PROXMIRE. If the Senator wishes to get an accurate picture of what foreign aid amounts to, he will have to include the value of the goods that are bought in this country. Then we may get a picture showing an expenditure of \$6 billion or more and that would give a true picture of what this program amounts to.

Mr. MORSE. The Senator is correct. On the point of the money being spent in this country, we shall have to tackle in due course of time what I call the argument of bribery. It is the argument that 80 percent of the money is spent in this country. However, for what purpose? A great deal of it is spent for munitions; or the maintenance of so-called defense plants.

When I think of what is needed in heart research, cancer research, arthritis control, and in many of the other critical areas of American health, and when I think of what is needed in this country in the field of education, and the crying needs of underdeveloped areas in the United States, and the shocking increases in the number of unemployed people—yes, unemployable people—I

look askance at all the heart-rending pleas for more money for NATO, or more money for countries which are already able to do a better job, not only for themselves, but also to help us in the program of doing a better job in underdeveloped areas of the world.

Mr. PROXMIRE. Let me ask the Senator—

Mr. MORSE. The Senator has made a point, and I wish to get to it. Then I will yield again. When I think of how little most of our NATO Allies, outside of West Germany, contribute to the protection of Greece and Turkey, I am a little aghast at Mr. Rusk's suggestion that there ought to be a stronger NATO. If he thinks we will get a stronger NATO by State Department preaching, he could not be more wrong. We have been pointing out to the French for months what its obligations are. Their gesture to us has not been a polite one, but, instead, a very rude one. They have told us very rudely where to go.

I think about how little Great Britain has done in the past half a dozen years. Yet when anyone raises any question about Great Britain, he is almost accused of being disloyal. Great Britain has not been paying her share of the freight for mutual defense and foreign aid.

Canada is another example; and we could go down the line. We can take Portugal, for example. We have poured money into a non-NATO ally, Spain. Yet we cannot find out from the State Department how much is being poured into that country. It is still top secret. We will blast it out of them, never fear. The American people are entitled to know every detail of the Spanish deal. I say from the floor of the Senate, "Mr. Secretary of State, give us all the facts."

What about the denial by Spain of harbors to Polaris submarines? Spain ought to be paying for its own infrastructure. So should France.

If we will only take the time in the Senate to dig into the whole foreign aid program of the United States, and tell the American people what the facts are, we shall make some changes. I will tell Senators why changes will be made. The American people will tell us we had better make changes.

Take a look at this interesting wording in the report of the Committee on Foreign Relations. It is a masterpiece of ambiguity.

I point to page 30, and read:

This section adds a new provision to the Foreign Assistance Act prohibiting grant assistance to any economically developed nation "capable of sustaining its own defense burden and economic growth."

Who are they? The committee does not tell us. Which countries are they? Why did not the committee write them into the bill? They are left to the discretion of the administrators.

Then we get into the whole area of dispute over facts, the whole area of evaluating evidence. When we ask the Secretary or his administrators in a year or two, "Why did you not stop it?" the answer will be, "My conclusion was that I did not think they met the definition or the meaning of the language that Congress used." He will read that

language right back at us. I have sat in the Foreign Relations Committee for years and have observed bureaucrats use every escape hatch in the vague language that Congress has written into the statute books.

We cannot leave any escape hatches. If we do, they will be used every time. It will be said, "We do not think those countries are capable of sustaining their own defense and economic burden. We have concluded that they have not reached that point yet."

Mr. President, many things must be done, and they must be done now. We sit in the Committee on Foreign Relations and talk about country after country. What does the committee do? It brings before us Secretary Rusk and Mr. Bell, Director of AID. They are given a word bath that is supposed to cleanse them from their wrongdoing in the senatorial words of the committee. They are told, "Naughty, naughty. Do not do it any more." Then the committee obtains a vague, general statement from Rusk and Bell, appreciating very much the advice that the committee has given them, and saying they will try to do better and will try to develop some rules and regulations that will be helpful. But next year, when they come back, nothing will have been done. We knew at the time that it would not be done.

Mr. President, I will not delude myself, or the Senate, or the people of my State. If we want to reform the administration of foreign aid—and Senator after Senator in the Committee on Foreign Relations, day after day, talks about the grave errors, inefficiency, and waste in the foreign aid program—the administration of the foreign aid program cannot be corrected by any wrist-slapping lectures to the Secretary of State, the Administrator of AID, or the Secretary of Defense. They must be tied down with restrictions in the bill.

So the jargon that the committee has written into the report does not impress me. It is a huge blanket of snow. The sad fact is that we can go back over the years and see that this statement is merely a repetition of past performances in the Committee on Foreign Relations. The committee tells the State Department, the Pentagon, and the other agencies, "You will have to do better." They promise to do better; but the next year we find things are worse.

Mr. President, I have had it.

The other day I heard a distinguished Member of this body, in the Committee on Foreign Relations, critically examine an administration witness. He said, "I am fed up with the program." He specified from his own knowledge the waste and inefficiency in the foreign aid program. I wonder where he was when this section of the committee report was written:

This section adds a new provision to the Foreign Assistance Act prohibiting grant assistance to any economically developed nation "capable of sustaining its own defense burden and economic growth." Exceptions are provided in the case of firm commitments made before July 1, 1963, and in the case of additional military orientation and training expenses up to \$1 million per country.



Mr. DOMINICK. Mr. President, will the Senator yield?

Mr. MORSE. Mr. President, the experts in bureaucratic evasion downtown must have thrown their hats in the air when they read that report and shouted, "Hallelujah! Waste can go on." Mr. President, it is unbelievable that this kind of report can be submitted.

A third choice for the Senate to consider is to recommit the foreign aid bill to the Committee on Foreign Relations with instructions to reduce it in sum and improve its policy directives. I shall move to do that very thing if it appears that that is the most helpful alternative to follow.

Mr. President, I did not hear the Senator from Colorado ask me to yield. I apologize to him.

Mr. PROXMIER. Mr. President, will the Senator from Colorado permit me to comment for a moment at this point?

Mr. DOMINICK. Certainly.

Mr. PROXMIER. It is my understanding that grant aid and military assistance to Europe amounts to something like \$229 million, for fiscal 1964. It seems to me that that directly contradicts the provision which the Senator from Oregon read from page 47 of the bill, lines 15 through 21, which reads:

No assistance shall be furnished on a grant basis under this Act to any economically developed nation capable of sustaining its own defense burden and economic growth.

They are not eastern European countries; they are western European countries. The fact is overwhelming that those countries are in exceptionally good economic condition and are expanding, growing, and prospering. They are well able to take care of their own defense. This language is a direct contradiction. Country after country in western Europe is listed.

I thank the Senator from Colorado [Mr. DOMINICK] for permitting me to make this statement.

Mr. MORSE. Again, I wish to ascertain the facts and make certain of the figures; but I shall comment on the general statement made by the Senator from Wisconsin. I do not know what the language in the committee report means. I think it is meaningless. It is not worth the paper it is written on, because it gives the Senate no guarantee as to what countries will be dropped out.

It may be asked: Does not the senior Senator from Oregon trust the administration of the foreign aid program? On the basis of past experience, the answer is "No." If by that question is meant, Do I trust the administration of the foreign aid program to do the things necessary to save the taxpayers hundreds of millions of dollars of waste in the foreign aid program? the answer is a resounding "No." The administrators of the program are not justified by their acts.

Mr. PROXMIER. We are told that the names of the countries and the amounts to each country are classified.

Mr. MORSE. Ah, that is interesting. Classified.

Mr. PROXMIER. The information is available to Senators, but it is classified. I do not believe it is revealing classified

information to indicate that those are the countries in Europe which are prosperous, whose economies are expanding more rapidly than ours, and whose incomes are increasing more rapidly than ours, but which are spending a smaller proportion of their incomes on their defense than we are. Yet they are included in the bill to the tune of \$229 million.

Mr. MORSE. I am glad the Senator has mentioned this subject. However, I point out that what the Government is doing by secrecy in the field of foreign relations is denying to the American people the facts that the people ought to have with respect to the development of a people's foreign policy. I do not care whether the President be a Republican or a Democrat; he does not own American foreign policy. It is not his foreign policy. He is but the administrator of the people's foreign policy. The sad fact is that this administration, like the administration before it, has denied to the American people the facts to which they are entitled, so as to enable them to form a valid judgment on what their foreign policy should be. Will the Senator tell me why that information should be classified?

Why should it be classified? I know of no good reason why it should be. I could bring to the Senate a stack of adverse reports from the Comptroller General, during the past several years, dealing with waste and inefficiency in the administration of foreign aid in country after country; but I cannot give the Senate the details, because they are classified. Why should they be classified?

Mr. PROXMIER. Mr. President, if the Senator from Oregon will yield further, the total amount of aid proposed for Europe is not classified; the \$229 million total proposed as our aid to the countries of Europe is not classified, but the amount of aid proposed for each country within that category is classified.

Mr. MORSE. Yes; and that is the crux of the issue. If we are to render an intelligent judgment as to whether the proposed policy is a good one, we should know how much is proposed to be given to Portugal, and for what purposes; and how much is proposed to be given to France, and for what purposes; and how much is proposed to be given to Turkey and to Greece, and for what purposes.

The Senator from Wisconsin is an American citizen, but he is not one of those in the bureaucracies. The bureaucrats can have access to that information; but the Senator from Wisconsin—who is one of the taxpayers who must pay the bill, and is one of the taxpayers who will have to do the dying if the bureaucrats follow a foreign policy that is not in the best interests of our country—is not given the facts. As a juror sitting in the jury box of American public opinion, he should have those facts in order to be able to pass judgment not only on a part of the evidence, but on all the evidence. A trial is going on in America; foreign aid is on trial, and the American people are the jurors. But the sad fact is that their Government, under this adminis-

tration, as under the past administration, will not give them so-called "classified" material. Of course I am not asking that any particular fact which really involves the security of the United States should be made public; but such facts constitute only a very small percentage of those marked "Classified."

Mr. DOMINICK. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. DOMINICK. I thank the Senator from Oregon for yielding.

In the report, I have been reading a reference to a provision to amend the Trade Expansion Act, in order to provide most-favored-nation treatment to imports from Yugoslavia and from Poland. I wonder whether the Senator from Oregon can "clue" me in on this matter. Last year, in the Trade Expansion Act of 1962, Congress included a specific prohibition against such action. But now, a year later, we find that it is proposed that we say, "We really did not mean what we said then; we want to accept more imports from these countries, despite the fact that they are under Communist control, and have been."

Only the other day, I noted with some disfavor the fact that one of our allies who has been fighting the Communists was not given the privilege or courtesy of any sort of formal reception in Washington, whereas Marshal Tito was entertained in the White House. I do not understand how we can couple such actions with the proposed favored treatment to the governments of Communist countries which are supposed to be doing their best to eliminate us.

Mr. MORSE. I thank the Senator from Colorado for his statement. During this debate, other Senators will speak on the question the Senator from Colorado has raised.

We now find that the prohibition we included last year was not as specific as we then thought it was.

Mr. DOMINICK. But whereas President Truman cut off, in 2 months, our aid to 13 countries, President Kennedy has not taken any action of that kind.

Mr. MORSE. Yes. In connection with the speech which another Member of the Senate will make—one to be made by another member of our group—we shall call attention to that situation. I thank the Senator from Colorado for raising this point.

Mr. DOMINICK. I thank the Senator from Oregon.

Mr. MORSE. Finally, Mr. President, whichever of these choices we make, the Senate and the Congress can no longer tolerate the approval of huge sums of money for a foreign aid program it knows is so faulty and unsound as this program is known to be. We cannot wait for the administration to do this job of revamping. We have been making and hearing these same criticisms of foreign aid in the Foreign Relations Committee for more than 5 years now, and we have been asking the administrations—Republican and Democratic—to do something about them.

The time to act is now; the place to act is in the Congress of the United

States; and the immediate action called for is the action of the Senate on the measure now before it.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Foreign Aid Debate Begins"; it was published today in the Washington Daily News.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### FOREIGN AID DEBATE BEGINS

This week the Senate starts debate on what's called the foreign aid authorization bill. This is the legislation which lays down the conditions under which U.S. taxpayer money will be used to help other countries, and fixes a maximum sum.

There appears to be more steam than usual behind efforts to economize, reduce the money total, and to apply stiffer restrictions.

Senator MORSE, for instance, has a whole series of guidelines he intends to propose. Others are shooting at less spending. Senator HICKENLOOPER, ranking Republican on the Foreign Relations Committee, thinks the foreign aid limit eventually will be cut from the \$4.5 billion asked by the Kennedy administration to \$3.7 or \$3.6 billion.

Even more important than arbitrary money limits is a complete reorganization of the aid program, such as Senator MORSE urges.

Senator KEATING, for example, would shut off aid to countries which "use their own resources for military activities elsewhere," such as Indonesia and Egypt.

Reducing the money limits would help cut the Federal deficit. But reorganization should aim at a better serving of U.S. interests—whatever the amount we continue to spend.

Mr. MORSE. Last of all, Mr. President, I wish to refer to a matter on which I commented in the course of colloquy, some minutes ago, with the Senator from Florida [Mr. HOLLAND]. I have called on the Secretary of State to give me a detailed accounting of the action which our Government has taken in Santo Domingo and Honduras, in carrying out its public announcement that it was withdrawing American mission personnel from both of those tragic areas. I have advised the Secretary of State that, in my capacity as chairman of the Subcommittee on Latin American Affairs, I hear from a good many sources of information, all of which have to be checked. The other day a high official of a Latin American country spoke to me about the position of his government. That position was contrary to what he believed to be the position of the U.S. Government. I thought the first person to be notified of that was the Secretary of State; and immediately I got the information to him. So I have asked the Secretary of State to tell me who, and in what numbers, in American foreign missions in the Dominican Republic and in Honduras have actually been withdrawn; and I have also asked him to give me rebuttal proof to the charge that the United States is engaged in only token withdrawals. The charge is that the United States is, in fact, following a "wait and see" policy that is alarming many of our friends in trouble spots in Latin America, for those democratic leaders are saying that if we follow a so-called slap on the wrist token policy in Honduras and in the Dominican Repub-

lic, we shall have to assume the responsibility for the turning over of other regimes to either military juntas or to Communists.

Mr. President, in the committee, I offered an amendment which I think is on all fours with the promises of the President of the United States, publicly made—namely, that the United States is not going to give aid to regimes that come into power as the result of the overthrow by military force of democratically constituted, constitutional regimes—specifically, and of immediate concern, in the Dominican Republic and in Honduras. But, Mr. President, there will be others if the past policy—and I am not so sure that it is not the present policy—of the United States continues. So I offered an amendment which provided that no military or economic aid shall go to any countries where, by military force, constitutional, democratic government is overthrown, until there is a return to their constitutional systems. That cannot be done by way of civilian "stooges" nor can it be done with a military junta similar to the one in the Dominican Republic—a military junta composed of military officers trained under American military training programs, and making use of American military equipment, and blowing out the torch of freedom in the Dominican Republic.

The Secretary of State came to me. The Secretary of Defense came to me. I got the word treatment. I am used to it. I know how to evaluate it, too. We heard, "There is great merit in the proposal of the Senator from Oregon. We appreciate the suggestion. We think perhaps something can be agreed upon. Maybe we can get together and agree on some language that will accomplish what the Senator from Oregon has in mind." I always express my appreciation, but I always tell them that the test will be in the final wording.

One morning when I reached my office the Under Secretary of State was waiting. I was very much embarrassed. I thought it was terrible to have the Under Secretary of State, with all the things he has to do, waiting in my outer office to see me at 9 o'clock in the morning.

I said, "Why did you not tell me you wanted to see me? I would have been down here earlier."

As a policy of many years' standing, I never call members of the executive branch to my office. I go to their offices. If I have a problem to talk over with them, I belong in their offices, and not they in mine.

There were two drafts of language. I read them. Of course, the language did not change the status quo at all. I was given a great deal of nice-sounding verbiage. They had included language that, of course, they would not act as proposed unless the President should decide that our national interest made such action necessary. That is what he is doing now. That is the status quo. It did not mean a thing. In fact, it was an insult to my intelligence.

So I walked over to the Foreign Relations Committee and offered my amendment. I believe we ought to have an out-

and-out prohibition, but, Mr. President, I am willing to arrive at a modus operandi.

Senators will have an opportunity to vote on the amendment I then offered, before the debate is over. I proposed an amendment that would provide that all aid, including military, economic, and other missions, shall stop unless the President of the United States, in reporting to the Congress, sets forth reasons which in his judgment, from the standpoint of our national interest, call for a continuation of the aid, and his report is approved by a concurrent resolution of both Houses of Congress.

Do Senators know what the argument used against the concurrent resolution proposal is? The argument is, "That is an interference by the Congress of the United States in American foreign policy." Not at all. It is an exercise of the checks-and-balances system. It happens to be the clear duty of the Congress, in carrying out its authority over the purse-strings, to lay down terms and conditions for the expenditure of funds; and if the Congress finds that the report that the President submits is not a sound report; if the Congress disagrees with him when he says that we ought to continue the aid in the national interest, Congress should say to him, "Not with the taxpayers' money." We ought to cut it off.

On the floor of the Senate I again say what the Secretary of State already knows. I am not satisfied with the administration of promised Government policy in connection with the Dominican Republic and Honduras to date.

That leads me to the last point I wish to make, because Senators will hear it in the debate. The following argument will be made: "What the senior Senator from Oregon is trying to do is to make the Congress of the United States the Department of State."

Not at all. What I am saying is that if the Department of State has a sound proposal supported by the President of the United States, there should be no trouble with the Congress. I have never known them to have any trouble with Congress if they really had a sound proposal.

What I am saying is that when we get into a situation in which a foreign aid program is honeycombed with waste, inefficiency, and injustice, the American people are entitled to have the Congress revamp the bill, write guidelines into the bill, place the prohibitions for the expenditure of funds in the bill, and make clear to the administration what the administration may spend for the enumerated purposes, and that that is all it may spend, until it comes to the Congress and gets more funds.

But it will be said that things move so fast in the world that we must see to it that there are a great many escape hatches written into the bill so that the administration can exercise the widest scope of discretion. They do not move so fast that the President cannot take 20 minutes to come to the Capitol for a joint session of Congress, if such a session were necessary. Events do not move so fast that the Secretary of State cannot come to Congress.



Let us be honest about the question. In all my 19 years in the Senate I have never known of a single emergency that arose that could not be handled by a quick message from the President of the United States in connection with foreign policy. Can the Senator imagine a greater emergency than the Pearl Harbor emergency of December 7, 1941? Franklin Delano Roosevelt then came to the Congress for a declaration of war. I could cite many other examples of emergencies in which Presidents who desired to carry out our system of checks and balances were not handicapped by taking a crisis up with the Congress.

My amendment calls for a concurrent resolution. If the report justifies the adoption of the concurrent resolution, the President will get it in a matter of hours. We know that. Therefore, the shuffling and shunting aside, the dismissal of my amendment because it provides for a concurrent resolution supporting the report of the President in my judgment is a failure on our part to carry out our duties under the checks and balances system.

Mr. President, I have talked much longer than I intended to today. But I think the interruptions were pertinent. I fully realize that there will be those who may wish that I would not talk as much as I shall before the present historic debate is over. I would rather leave the Senate than leave my responsibilities in connection with the bill. I am convinced that the administration is unaware of the great concern of the American people about foreign policy with respect to the administration's proposal in connection with this bill.

Those of us who are determined to see to it at least that the record is made, and that the Senate is given an opportunity to reform the bill, are not going to be deterred by pressure to speed up consideration of the bill. We do not propose to take any more time than is necessary to make our case, but we shall take all the time that is necessary to make it.

Mr. President, I yield the floor.

Mr. JAVITS obtained the floor.

Mr. SPARKMAN. Mr. President, will the Senator yield so that I may suggest the absence of a quorum?

Mr. JAVITS. I am glad to yield, and ask unanimous consent that in doing so I shall not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, since this is the opening day of the foreign aid debate and I have been a rather active participant in the field ever since I first came to Congress in 1947 and encountered the aid to Greece and Turkey program, and since the fundamentals are being discussed in the opening of this de-

bate, I hope Senators will bear with me if I take perhaps 15 to 20 minutes to state what I consider to be the case for foreign aid and what I believe we need to do about it.

Certainly no one can quarrel with the Senator from Oregon [Mr. MORSE]—for whom I have the greatest respect, and indeed, affection—when he says the bill represents the expression of Congress as to foreign policy of the United States and, therefore, it is our duty to perfect it in every way we can.

There is no question that the foreign aid program is coming on difficult days. In my judgment, it will survive this particular session of Congress probably almost intact, whether the figure finally appropriated is three billion six, or seven, or eight, or nine—or four billion. Whatever the exact figure may be, the foreign aid program will be substantially carried on—as I believe even its opponents would probably admit—through this session of Congress.

The people of America are testing and questioning the validity and soundness of the program; and therefore its best friends—and I am one of them—must analyze for the people what is being done and why, and also how the situation may be changed to the benefit of the program and to the benefit of the foreign policy of the Nation.

Mr. President, the fundamental question, as I see it, is this: Can the foreign aid program be reoriented in a private enterprise direction so as to make the American people feel that the private enterprise system of the United States is being adequately brought into the program?

In my judgment, this is the only direction that the foreign aid program must take. I shall develop that point in a few moments, but that is the fundamental thesis.

The reason why the program is in trouble—and it is in trouble—is that neither this administration nor the previous administration understood what the private enterprise system is capable of contributing toward the foreign aid program, and has failed to use it, and continues to fail to use it.

The foreign aid program is not carried out in a vacuum. We cannot decide that we either can or will not carry out the foreign aid program. We made a decision in 1947, 1948, and 1949 in this respect, when we dealt with the Greek-Turkish aid program and the Marshall aid program. We knew then that we had to do it, or that the world would go Communist. We are almost in the same position today, but for a vastly different reason. If we do not carry on the foreign aid program, it will be carried on by others, without the motivations and interests which we serve.

The Soviet Union has a foreign aid program of its own, considered to be in the order of magnitude of almost the size of ours, something like \$1.9 billion a year, as compared with what the committee has provided, in the way of economic, technical assistance, and other aid, of \$2.3 billion.

Let us remember also that the Soviet Union beams its aid to countries with which it wishes to cooperate, or in which

it may have an advantage in cooperating, and that those countries receive much more aid than we provide, because the Soviet Union has a much smaller list of countries to which she provides aid.

There are those who say, "Let the Soviet Union do it and choke, economically, in the process." Unfortunately, no such thing will happen. Many persons felt the same way about the Soviet Union and her economic development and her 5-year plans. What has happened in the 40-odd years of the Communist revolution is that Russia has become the No. 2 world power, or perhaps even No. A-1, as compared with ourselves. So the assumption that the Soviet Union would not move into countries out of which we would move, in respect of foreign aid, is an assumption we cannot and dare not take. Thus, our area of choice is relatively narrow.

Second, it is a fact that the gap between the industrialized nations in the world and the newly developing nations of the world is widening, not narrowing. In other words, our situation is improving at a faster rate than theirs. This presents again a point of great attraction for some other system; and the competing system in the world is the Communist system.

Third, the Communists are ready to trade. They are ready to trade on a barter basis, and do business on that basis. We do business on a commercial basis, while she does it on a political basis. So trade can be substituted for aid. So what they will not be able to fill in by direct aid they will do by trade.

Furthermore, Mr. President, we cannot leave the newly emerging areas in a vacuum. If a vacuum is left, it will be filled, and it will be filled by people waiting to fill vacuums, without the same considerations for which we are giving aid.

There is a great deal of talk about euphoria, and there is a great deal of talk about our being lulled into a state of complacency by the test ban treaty and the fact that the Russians have an ideological problem with the Communist Chinese.

How thoroughly it would harm the world if we suddenly pulled out foreign aid, or made such changes that it resulted in our pulling out. Would not the world say, "That settles it. The United States has been taken in. The only program which presents an obstacle against the spread of communism, namely, foreign aid, has been abandoned?"

The prime consideration in respect of aid which we give is, What is the need of the world which is friendly to us, in terms of it, itself, standing for freedom, if given half a chance? In other words, what are we doing to help that part of the world in the way of a bank for reconstruction, a bank for international development, an international financial institution, an inter-American bank? What are we doing together? We must do our fair share. Efforts along these lines represent our fair share, except that we have made a great mistake in not orienting it to the private enterprise system.

There is a vacuum in the world, in terms of the progress of nations, economically. The United Nations has variously estimated the vacuum as being somewhere between \$10 and \$12 billion a year in extraneous foreign investment. We are falling far short of that mark.

No real, measurable, effective progress can be made in the world unless we do our share toward the ultimate goal which I have described.

Without measurable progress, we are not "in business" ourselves. It is not a unilateral question. The world will not struggle long without it. The world will turn in the Communist direction. This is the competition we face. The world is not simple any more. It is a world in which mankind is in competition. If we forgo doing our part, we shall effectively yield to the competition. The competitor will move in and take over our business. That is the choice we face. The choice is not whether we shall go into the program or keep out. The choice is do we go in, or do we move out and have the Communist system go in? That is the choice which we have. That is the choice which has always been before Congress and it is why it has voted for the foreign aid program, notwithstanding unhappiness with the program in one phase or another.

Another point is that in connection with a program like this we cannot stop in the middle and slow down and have a reorganization. Reorganizations must be planned, and there must be a gradual phasing of work under the program. So we cannot dismantle the program tomorrow, or this week, and still expect it to be effective for the purpose for which it was designed, and endeavor to build a new structure for it. It cannot be dismantled and still leave us the hope that it will let us keep our place in the foreign aid competition.

So the real difficulty we are having is that there are some who think the program should be dismantled now; and it cannot be done without destroying it.

I recall speaking in 1957 in defense of the USIA in whose funds a cut of about 40 percent was made. It took the USIA years to recover. It has not recovered yet from the fact that the machinery was dismantled at that time.

The question calls for a national commission on the highest possible level to reexamine the foreign aid program of the United States and recommend how it may be reoriented and remain effective. I would very much favor such action, but that is a far cry from dismantling the program at this stage.

The basis for the program is the competition with the Soviet bloc and the need of the world for economic sufficiency if it is to remain substantially in the role of the free. Otherwise we are in the gravest danger in trying to change something which is working now not as effectively or as well as we would like it to, but which is working, and it will not wait for this complete revision to take place.

I said, when I began, that this program needs to be reoriented in the private enterprise direction. That is the big challenge which has not been met. There are efforts to bring private enter-

prise administration and private enterprise channels into this bill, but they are far from adequate in respect of the bill itself and in respect of the terms of the program.

Somehow or other, we have failed to enlist the private enterprise system, which has generated the \$600 billion national economy of the United States, and which is responsible for the \$1,000 billion production in the Atlantic community.

I note with satisfaction that the bill invokes aid from the industrialized countries of Europe, not only on a country-to-country basis but also through their private enterprise systems.

One of the other points about the program we must not forget is that it has encouraged, up to now, approximately \$2 billion in aid from Europe for economic assistance. I have little doubt that if we folded up on this program, a great deal of that aid would fold up too, and that the tremendous buildup would be lost. It is a buildup that is not going as far as it should, but, still, it is an important contribution.

I am glad that private enterprise is invited into the foreign aid situation. However, the technique for having whole projects, the totality of effort in countries, the use of private enterprise, coordinated closely with private investment, has not been adequately pursued by our Government.

Also, the investing public has not been given an opportunity to participate in foreign aid. For example, I am the author, with other Senators who are similarly interested, of a bill which would open up to private investment participation a great part of the foreign aid program. No hearing has been held on the bill. One of the amendments which I hope to propose to the pending bill involves that kind of proposal. It is to open up to private investment a great part of the money that is being spent by us on foreign aid. There are a great many elements in that program which would justify business investment and American investor interest, not only on a profit basis, but also on a patriotic basis.

Changes have been made in the bill with respect to the investment guarantee program. I am very much pleased to see that being done. I am glad to see that the authorization is now being pushed up from \$1,300 million, which has been very heavily used up, to \$2½ billion.

We have made 57 such guarantee agreements. Nineteen of them have been negotiated in the past 2 years. That is by no means the totality of the countries aided by such private investment, but it is encouraging.

Therefore, we must make a drive for more of these agreements, as an incentive to private investment in these countries. It is a vital supplement to foreign aid.

Another amendment which I shall propose would provide that the administration be directed toward the urgent need for concluding these agreements. If necessary, we should condition our aid upon the fact that such agreements be concluded, so that private enterprise

may have full opportunity to contribute its share.

The other aspect of private enterprise which is being dealt with in the bill is that the President is directed to carry out his programs of assistance through private channels to the maximum extent practicable, instead of wherever appropriate.

I believe that is a desirable change, if it is coupled with some machinery that will make it possible for the President to operate effectively.

I may give very serious consideration to proposing an amendment to the pending bill to appoint a real high-level commission of distinguished Americans in business and in the academic field—not in government—and representing the public interest, to see how the private enterprise system may be phased, in a more effective way, into the foreign aid program. This is a big subject.

The precatory statements which we make, such as the one referred to in the bill, to use private channels "to the maximum extent practicable," have been, in one form or another, on the statute books for a long time. From the standpoint of these amendments—and I have authored some of them myself—this provision somehow or other does not work out.

The bill also provides that the President shall "utilize wherever practicable the services of the U.S. private enterprise—including, but not limited to, the services of experts and consultants in technical fields such as engineering."

For example, David Rockefeller the other day suggested—a suggestion which I made about 2 years ago—the establishment of an industrial peace corps of distinguished executives, who could be utilized in the foreign aid program, provided they could retain their connections with their own companies.

Conflict of interest in this respect is not the problem it is cracked up to be, and can very well be handled.

Again, nothing is done about that. That suggestion is lying on the shelf. Nothing is done effectively except to make a generalized statement about the use of private channels and private enterprise.

The only way in which it can be done, and save this program from much harder attacks than are being made on it now, is to have a blueprint laid before the country. If the administration does not have the wit to do it, the business community should and will. We must show the country exactly how the private enterprise system can be tied in.

One other point that I believe is desirable is that the President is directed to take appropriate steps to discourage nationalization or expropriation or confiscation; injurious, discriminatory, or other actions which would result in such expropriations in areas where we are giving aid.

This is an extremely desirable idea. It is reflected also in the report of the Clay Committee, which urged us not to aid a foreign government in projects establishing government-owned industrial or commercial enterprises which compete with existing private enterprise;



therefore, clearly or by implication it does not want American endeavors of private character dismantled.

Those are all desirable, useful, and important provisions. However, they still do not bring the private enterprise system appreciably into the foreign aid program. That is the only way in which the program can be effectively reoriented.

From everything I can see, we are in for a foreign aid program for another decade, at least, and perhaps longer. If that is the case, I doubt very much whether it will survive year after year the attacks which are constantly accelerating in their intensity, such as the one being made here, and in the other body, and which will be made on the appropriation bill for foreign aid.

I believe that we must have, from the administration or from a commission source, a recommendation as to how the program may be reshaped and revamped in the public interest.

In my judgment, that means a heavy implementation with the private enterprise system as the means through which the program will be carried out.

The lines of this program are very clearly indicated by the proposal, for example, that development loans may be channeled through the International Bank for Reconstruction and Development, something which, a decade ago, was recommended by Christian Herter, who later became Secretary of State, and me in the House Committee on Foreign Affairs. If it takes 10 years to get a simple proposal like that through, that is perhaps some indication of the length of time which will be necessary to bring about a really effective participation by the private enterprise system in foreign aid.

Before I complete my preliminary statement on the bill, I wish to refer to one other amendment in which I have joined with the distinguished junior Senator from Alaska [Mr. GRUENING], which I think is a matter of the most critical importance to us. The amendment was contained in the House bill but was stricken by the Committee on Foreign Relations. It will be Senator GRUENING's purpose and mine to restore it. The amendment, which appears in the language stricken from the House bill on pages 18 and 19 of the bill, reads:

No assistance shall be provided under this or any other act, and no sales shall be made under the Agricultural Trade Development and Assistance Act of 1954, to any country which the President determines is engaging in or preparing for aggressive military efforts directed against—

- (1) the United States,
  - (2) any country receiving assistance under this or any other act, or
  - (3) any country to which sales are made under the Agricultural Trade Development and Assistance Act of 1954,
- until the President determines that such military efforts or preparations have ceased and he reports to the Congress that he has received assurances satisfactory to him that such military efforts or preparations will not be renewed. This restriction may not be waived pursuant to any authority contained in this Act.

This provision is directed against accelerating arms races, especially the

accelerating arms race in the Near East to which the United Arab Republic is the principal party. Let us make it clear that the President has the power to cut off aid in a situation where our aid is filling in for the resources of a country which are being diverted for the purpose of aggressive military preparations. The fact is that the President has not taken this action in the case of the United Arab Republic. Therefore, he must be directed to take such action; otherwise he will not do it.

We had a precatory request to the President to do just such a thing in the bill up to now. It reads:

It is the sense of the Congress that in the administration of these funds great attention and consideration should be given to those countries which share the view of the United States on the world crisis and which do not, as a result of United States assistance, divert their own economic resources to military or propaganda efforts directed against the United States or against other countries receiving aid under this Act, whether or not such efforts are supported by the Soviet Union or Communist China.

That language was directed against an escalation of the arms race in the Near East; but that provision, too, is now out of the bill, and the Committee on Foreign Relations has not restored it. So there is neither a sense request or a statutory provision in the bill today to deal with this situation.

Mr. AIKEN. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield to the Senator from Vermont.

Mr. AIKEN. Will the Senator explain what the situation would be in regard to the present altercation between Algeria and Morocco, both of which have been receiving assistance, or surplus food, at least, from the United States? Would the Senator's amendment require the United States to shut off aid to both countries?

Mr. JAVITS. It might very well, and quite properly so.

Mr. AIKEN. Until they stopped fighting?

Mr. JAVITS. I do not see any reason why such action might not have a salutary effect on both participants. The amendment would give the President a directive to shut off aid, where the aid which we are given presents the recipient nation with resources for "aggressive" military efforts. Conceivably, the President could make a determination that one of those countries was the aggressor. But the Senator from Vermont is probably much more correct when he says that the provision would result in cutting off aid to both countries.

Mr. AIKEN. It would be very difficult to judge which country was the aggressor.

Mr. JAVITS. I agree. I would not beg the question. Probably it would be impolitic for the President to decide which country was the aggressor.

Mr. AIKEN. I do not think he could decide.

Mr. JAVITS. I should like to ask the Senator from Vermont a rhetorical question: Does he not think the American people would have much more respect for the foreign aid program if it

were used in such a way that it did not preempt the resources that are used to fill in for resources in a particular country, resources which were then diverted to forward an aggressive military effort?

Mr. AIKEN. Yes; I think the American people would be—and are—very much opposed to the United States rendering assistance to any nation for the purpose of perpetuating or creating war. It goes without saying that we have contributed to wars in many parts of the globe through enabling one side or the other to continue fighting, when perhaps, except for our assistance, they might not have been able to keep those wars going. I suppose we might call them little wars or brush fire wars; nevertheless, I am sure the American people object to our assistance being used for any such purpose.

Mr. JAVITS. I thank the Senator. I could not agree with him more.

I point out what this "sense" resolution which is contained in the foreign aid bill now, in the absence of a prohibiting amendment such as passed by the House, and which the Senator from Alaska [Mr. GRUENING] and I will move in the Senate, has resulted in. In the first place, it has provided surplus foods to the United Arab Republic, notwithstanding the fact that that country is sending troops into Yemen and has interfered directly in the affairs of a revolution in Yemen, with great mischief to us and our policy, and notwithstanding the fact that the United Arab Republic has committed aggression against Saudi Arabia.

The Senator from Vermont has referred to the situation of Algeria and Morocco, both of which are receiving surplus food aid.

The United Arab Republic is arming. It is buying arms openly from the Soviet Union. A report as recently as today indicates that the United Arab Republic is sending arms, planes, and troops to be ready to aid President Ben Bella in Algeria, in his war with Morocco. Nonetheless, the United States continues to give aid to the United Arab Republic. Moreover, President Nasser, of the United Arab Republic, constantly reiterates that the one basis for Arab unity is to drive the Israelis into the sea and, by armed aggression, to eliminate Israel as a state. He means it, as we know very well from the many demonstrable acts which have been taken in pursuance of that design, including the effort to subvert both Jordan and Saudi Arabia, the effort to unite Syria with the United Arab Republic, and the effort to bring about great Egyptian influence in Iraq and Iran. That is what is popularly called Nasserism.

Nonetheless, the U.S. aid program continues. Our aim in the aid program is to assist free nations. That objective is lost when one nation which we are trying to help dissipates its resources in aggression or preparation for aggression against another nation which we are also trying to help.

It seems to me that, knowing what we face, we cannot allow that situation to continue. It is calculated, as the Senator from Vermont [Mr. AIKEN] so very properly said, to depreciate the quality,

character, and backbone of the aid program in the eyes of the American people.

I hope very much that we shall be successful in having this amendment restored to the Senate version of the bill, so that there may be agreement between the Senate and the House upon this section.

I should like to conclude as I began. We cannot rebuild the house of foreign aid while the house is being used. What we must do is to design a new building out of the present one. In my judgment, the new one must be based heavily on the private enterprise system, which has not been adequately used in respect to foreign aid.

I welcome the Senate committee amendments to accelerate and improve utilization of the private enterprise system, for, fundamentally, foreign economic aid is a business operation, and it can be carried on, and should be carried on, in the closest cooperation with American business. When the program is operated on that basis, it will gain the greatest respect from the American people. Furthermore, by implementing our foreign aid through the operations of American business, we shall also enlist the great resources of American business, and thus will improve the ability of American business to make contributions both of brains and of tangible aid to this program.

Finally, Mr. President, when we consider the argument that it is better to have this program as it now stands, rather than to permit a gap to occur between the present program and the development of a better one to succeed it, I point out that if we now were to suspend foreign aid, the vacuum thus caused would quickly be filled, but not by us; instead, it would be filled by our competitor, the Soviet Communist system. The nations of Europe may not give us, every day, their thanks for our foreign aid, even though we deserve them; but that is a rather superficial point, as compared to keeping them on the side of the free world by enabling them to have viable economies under this system, whereas in the absence of this system they will turn to the Communist system; and we cannot afford to allow them to do that, even if this program is not as economical or as efficient or as effective as it should be.

So, Mr. President, I favor this program, and we must favor it, until something better is available, even though our failure to devise an improved program is a great mistake; and at one and the same time I shall fight shoulder to shoulder with other Senators in the effort to build a better structure to do this job. However, I cannot favor dismantling this program while we try to build up a better one.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### JOINT RESOLUTION MAKING CONTINUING APPROPRIATIONS FOR THE FISCAL YEAR 1964

Mr. HAYDEN. Mr. President, on June 25, 1963, the Senate and House of Representatives passed and sent to the President a joint resolution making continuing appropriations for the months of July and August since most of the appropriation bills had not been enacted into law at that time. Subsequently, on August 27 of this year, that resolution—Public Law 88-55—was amended by extending the authority thereunder until October 31, 1963.

Today, the House of Representatives has passed and sent to the Senate, House Joint Resolution 782, the effect of which will continue until November 30, 1963, appropriations for those functions of the Government for which funds have not been enacted into law.

I ask unanimous consent that the Senate immediately proceed to the consideration of House Joint Resolution 782.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The joint resolution (H.J. Res. 782) making continuing appropriations for the fiscal year 1964, and for other purposes, was read the first time by its title and the second time at length, as follows:

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the joint resolution of August 28, 1963 (Public Law 88-109), is hereby amended by striking out "October 31, 1963" and inserting in lieu thereof "November 30, 1963".*

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. HAYDEN. Mr. President, this joint resolution is similar to continuing resolutions which we have agreed to on two other occasions this year, and to others in prior years, and provides for the continuation of appropriations during November, 1963, as follows:

In those instances when bills have passed both bodies and the amounts or authority therein differ, the pertinent project or activity shall be continued under the lesser of the two amounts approved or under the more restrictive authority.

When a bill has passed only one House, or when an item is included in only one version of the bill as passed by both Houses, the pertinent project or activity shall be continued under the appropriation, fund, or authority granted by the one House, but at a rate of operations not exceeding the fiscal 1963 rate or the rate permitted by the one House, whichever is lower.

In instances when neither House has passed appropriations bills for fiscal 1964, amounts are approved for continuing projects or activities conducted

in fiscal 1963 not in excess of the current year's rate or at the rate provided for in the budget estimate, whichever is lower.

Mr. President, for the information of the Senate, I would like to report the status of the various appropriations for fiscal year 1964:

Enacted into law are the regular appropriation bills for the Interior, Treasury, Post Office, Executive Office, Labor, Health, Education, and Welfare, and Defense Departments, and their related agencies.

There are two bills which have passed both Houses—the legislative branch and Department of Agriculture appropriation bills—and conferences with the House have been requested by the Senate.

Three bills are presently in the Senate Appropriations Committee. Hearings are in progress on the independent offices and Departments of State, Justice, Commerce, and judiciary appropriation bills, and it is expected that the District of Columbia appropriation bill will be ready for markup within the next week or so.

Still remaining in the House Committee, pending finalization of the authorization process, are the foreign aid, public works, and military construction appropriation bills.

Mr. SALTONSTALL. Mr. President, the chairman of the Appropriations Committee has consulted with me, as the senior member of the committee on the Republican side of the aisle, in relation to the joint resolution. I believe that the Senate must pass the joint resolution. We cannot do otherwise because the appropriation bills referred to are still pending.

As I said to the distinguished chairman of the committee, for whom I have the utmost respect, I believe that we should not have to pass another joint resolution of the character of the one now before the Senate. It does not help Congress to have appropriation bills that were due to be passed before July 1 of 1963 pending for 5 months after they became due, so that we are asked to act on resolutions that would authorize the various departments of the Government to spend money on the basis of last year's appropriations or on the basis of the recommendations of the President, whichever amounts are lower. I do not believe that action gives us an opportunity to operate our Government as efficiently as possible. So I say that the Senate cannot do otherwise than to pass the joint resolution. The distinguished chairman of the Appropriations Committee, the Senator from Arizona [Mr. HAYDEN], for whom we all have the utmost regard, agrees with me that that is not a process which helps the prestige of the Congress.

Mr. HOLLAND. Mr. President, I wish to say to the Senator from Arizona, whose position I completely support in asking for the continuing resolution, that I have been puzzled to know what is happening with reference to some of the conferences which the Senate requested. For example, the Senate on June 26 passed the legislative appropriation bill. There has been no conference. There



has been no appointment of conferees on the part of the other body up to this time.

On September 30, the Senate passed the bill making appropriations for the Department of Agriculture. As the Senator knows, I happened to handle that bill on the floor of the Senate. The House has not yet appointed conferees. On inquiry of the staff we find that probably no conferees will be appointed until after Armistice Day. Does the Senator know, or is he able to state for the RECORD, why we are encountering such long and unforeseen delays in the setting up of conferences for which the Senate has asked and on which the Senate has appointed conferees?

Mr. HAYDEN. I am in complete ignorance as to what motivated the House to cause the delay on those two bills. With respect to some of the other bills, the delay results from lack of an authorization act.

Mr. HOLLAND. The Senator from Florida is in exactly that same situation. He wanted to call attention to the fact that the Senate not only passed those two bills some time ago, appointed conferees on the part of the Senate, and asked for a conference with the House, but also that we have been trying to move ahead ever since, without avail, up to the present time. I deeply regret the delay.

Mr. HAYDEN. There will be either a continuing resolution for the next Congress, or we shall have to pass those bills.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the joint resolution.

The joint resolution—House Joint Resolution 782—was ordered to a third reading, was read the third time, and passed.

#### THE PROPOSED SUPERSONIC TRANSPORT AND A REPLACEMENT FOR THE OUTMODED DC-3

Mr. RANDOLPH. Mr. President, recently several airlines in the United States have expressed the intention of purchasing early models of an American-built supersonic transport aircraft, the production of which will be carefully monitored by the Federal Aviation Agency. Trans World Airlines, the first firm to make known its intention to buy the high-speed aircraft, has now been joined by Pan American Airways and by American Airlines.

The Aviation Subcommittee of the Senate Commerce Committee, under the chairmanship of the capable Senator from Oklahoma [Mr. MONRONEY], is currently holding hearings to better determine the progress and promise in this imaginative and important project.

The intent of our aviation firms to purchase a domestically built supersonic transport has far-reaching implications for the economy. At a time when our balance of payments must be improved, and the aviation leadership of the United

States is seriously challenged by the development of the "Concorde" through the joint effort of the British and French, it is imperative that we take thoughtful action.

The expeditious and efficient construction of an American-built supersonic transport will enable this country to compete favorably with foreign airlines in the transcontinental travel market, and with foreign production of a similar plane. The major airlines who have thus indicated confidence in U.S. industry's ability to produce this advanced aircraft have done much to add impetus to the completion of a finished product. They have hastened the day when our citizens, and those of other lands may enjoy the fruits of American ingenuity and know-how.

Another area of air transportation which is receiving needed study by elements of the Federal Government and private industry, is the development of a suitable airplane to replace the faithful but outmoded DC-3. In this area, the Senator from Oklahoma [Mr. MONRONEY] has exercised vigorous leadership. Construction of such a plane would contribute to the service and convenience available to travelers in smaller cities and areas not normally served by large metropolitan airports.

It is encouraging to note that the Federal Aviation Agency is energetic in its support of a DC-3 replacement program, and that this diligent governmental agency believes such an aircraft would be, in their terms, "short-haul, safe, subsonic, and subsidy saving." I concur in this thumbnail sketch of a vitally needed adjunct to the aerial capability of the United States, and urge that significant emphasis be placed on its construction, as well as on that of the supersonic transport. West Virginia, and the Nation, would benefit from such a dual-purposed program of technological progress.

I commend the interest of the Senator from Oklahoma [Mr. MONRONEY], and the members of his subcommittee on that study as well as their study of the supersonic plane.

#### AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (H.R. 7885) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

FOREIGN AID MEMO SENT TO U.S. EDITORS

Mr. HUMPHREY. Mr. President, last week the senior Senator from New York [Mr. JAVITS] and I sent out a letter and memorandum to over 600 American newspaper editors calling to their attention certain basic facts about the foreign aid program. As I will be speaking later this week on the substantive points covered in the memorandum, I will not do so at this time.

However, I would like to ask unanimous consent to have the text of the letter and memorandum printed in the RECORD at this point.

There being no objection, the letter and memorandum were ordered to be printed in the RECORD, as follows:

U.S. SENATE,

Washington, D.C., October 23, 1963.

DEAR —: We believe there is an extraordinary need at this point to encourage better public understanding of the importance of the U.S. foreign aid program to the security and well-being of our country, and how U.S. private enterprise and voluntary organizations carry out their important role in it. So much emphasis has been given to foreign aid problems—both real and imagined—that there has been a failure to appreciate the value of its performance.

For the purpose of contributing to a more balanced perspective on this subject, we enclose with this letter a memorandum on foreign aid. It comments briefly on some of the current criticisms of the program and outlines in plain terms the factors which have caused us and many other public officials, whether Democrats or Republicans, to give it continued support. We submit this case for foreign aid for your consideration, mindful of the responsibilities we share to be informed of and weigh the important foreign policy developments of our times and to bring them fairly before the American people. For the foreign aid program has been traditionally bipartisan from the beginning and today foreign aid is called for by President Kennedy and supported by former President Eisenhower.

In the period ahead, the Senate will complete action on this year's foreign aid authorization and, thereafter, both the House and Senate will consider the bill at the appropriations stage. This is a particularly vital time for public consideration of foreign aid. It is our hope that this letter and memorandum will bring increased understanding to that consideration.

Sincerely yours,

HUBERT H. HUMPHREY,

U.S. Senator.

JACOB K. JAVITS,

U.S. Senator.

#### A CASE FOR FOREIGN AID

##### FOREIGN AID IS ESSENTIAL TO U.S. SECURITY

Contrary to charges that the foreign aid program is a "global giveaway," it is essentially a means to advance the security and well-being of the United States and the free world. Comprised of both economic and military aid, it is a vital arm of U.S. foreign policy which seeks to win the cold war and prevent hot wars.

This is why President Kennedy and former President Eisenhower support foreign aid so strongly, why President Eisenhower recently said: "Never has there been any question in my mind as to the necessity of a program of economic and military aid to keep the free nations of the world from being overrun by the Communists. It is that simple."

This is why the main finding in the Clay Committee report is that a sound foreign aid program is "essential to the security of our Nation and necessary to the exercise of its worldwide responsibilities."

##### FOREIGN AID IS AN INDISPENSABLE INSTRUMENT OF U.S. FOREIGN POLICY IN CRITICAL AREAS OF THE WORLD

A good example is found in the aid given through the Alliance for Progress to Latin America, the area described by President Kennedy as the "most critical in the world." In the face of anti-U.S. propaganda from Castro-Communist forces, U.S.-backed projects there have demonstrated our concern for Latin America's welfare. In the brief 2 years since this hemispheric cooperative effort was launched, some 140,000 new housing

units have been constructed, 8,200 new school classrooms have been built, and more than 700 new community water systems undertaken. Tax and land reform measures have been adopted by many countries, more than 160,000 agricultural credit loans have been made, 4 million schoolbooks have been distributed, and more than 9 million children are being fed in 18 countries under the food for peace program.

The concrete results of our participation in the Alliance for Progress program can be illustrated by two examples:

1. Before the Alliance was launched, a shack in a Bogotá, Colombia, slum was the home of Campo Elias Bernal, his wife and his six children. Their total family income: \$1 a day. Now, 2 years later, the Bernals are living in a modest but clean and facilities-equipped home in Ciudad Techo, an Alliance housing project near the Colombian capital. Priced at \$630 and financed over a 15-year period, the Bernals are building their home through a system of self-help home construction widely employed under the Alliance throughout Latin America.

2. In Brazil, the misery of the Favela Bom Jesus until 2 years ago was typical of the slums ringing Latin American cities. Today this favela has been crushed by bulldozers and its inhabitants live in Barrio Alanca, a housing development near Rio de Janeiro named after the Alliance for Progress. It is a cooperative endeavor of a private foundation, the State Government of Guanabara and the United States.

**FOREIGN AID SUPPLEMENTS U.S. MILITARY STRENGTH AROUND THE WORLD AND REDUCES THE LIKELIHOOD U.S. FORCES WILL HAVE TO BE USED IN COMBAT**

Military opinion is that without foreign aid, we either would have to tolerate Communist takeovers in various countries or commit American troops to fight brushfire wars there with weak local allies. Our aid supports 3½ million foreign troops who stand guard along Communist-bloc borders where U.S. troops might otherwise have to be stationed.

Through guerrilla warfare and stealthy subversion, communism uses human misery in unstable countries for its own ends. U.S. military aid to strengthen foreign forces and U.S. economic assistance to advance economic and social progress helps keep Communist and other radical movements from gaining the upper hand. Obviously, our aid alone is not sufficient, but it's one of our most effective weapons.

U.S. military aid supports foreign troops in countries facing the Communist bloc—from Greece and Turkey to Korea—at a price one-tenth that of maintaining comparable numbers of U.S. soldiers there. Were it not for foreign forces supported by our military assistance, it would be necessary to consider substantial expansion of our own forces at heavy costs in manpower and funds.

While the test ban treaty debate has evidenced concern for military safeguards for U.S. strength as against Communist power, it is often forgotten that our military aid is part of this safeguard and that economic aid is one of the chief nonmilitary safeguards for U.S. security and peace. The Communists may be expected to intensify their cold war efforts in the developing countries. In this situation, foreign economic aid is more important than ever as a safeguard against increased Communist influence.

**FOREIGN AID IS GOOD BUSINESS FOR THE UNITED STATES—IT MEANS MORE U.S. EXPORTS, MORE U.S. MARKETS ABROAD, AND MORE U.S. JOBS**

Foreign aid purchases in the United States help account for the jobs of more than 550,000 American wage earners.

In 1962, for example, the Agency for International Development (AID) financed 25 percent of U.S. iron and steel mill product exports, 38 percent of our exports of fertilizer and locomotives, \$50 million in foreign purchases of U.S.-manufactured electrical apparatus, and 10 percent of U.S. truck and bus exports.

The military assistance program also helps U.S. business. In addition to about \$1 billion in procurement financed by the program itself, military assistance activities will contribute to cash and credit sales to allied governments this fiscal year expected to amount to about an additional \$1.2 billion worth of U.S. military goods and services.

The percentage of aid-financed U.S. exports is rising sharply. AID financing of American commodities from fiscal year 1962 to 1964 will almost double, rising from about \$500 million to \$1 billion a year.

Foreign aid-financed U.S. exports help make American products more familiar to and desired by buyers in other countries. AID financed almost one-tenth of America's \$7.5 billion of exports to underdeveloped free world countries in 1962. Foreign aid also helps develop growing economies which are better markets for American products. After postwar U.S. aid to Europe and Japan, U.S. exports to Europe doubled between 1959 and 1962, and American exports to Japan tripled in the last decade.

Can the United States afford substantial foreign aid expenditures in light of the current budget deficit?

Yes, since substantial aid cuts now would create later costs which would far exceed any immediate savings.

There are a number of countries where our aid is a decisive barrier to Communist takeover in the short or longer term. The cost of Communist gains in Cuba—a single small country—has been enormous both to the U.S. Government and to U.S. business there. The month's cost of mobilizing U.S. forces at the time of Khrushchev's missile threat last October would sustain aid programs in a number of countries.

The annual dollar cost of even a limited war in a single country might far exceed worldwide foreign aid costs for several years and result in immeasurable costs in American lives. The Korean conflict alone cost four times the total foreign aid request this year.

We have three-fourths of a million men in our Armed Forces stationed outside the United States. The foreign aid program is one of our best means of insuring that these men will not have to fight full scale wars. Its support of foreign troops also reduces the number of U.S. troops needed abroad and the expense of maintaining them there.

The United States spends \$50 billion a year for defense to be prepared for wars we hope we never have to fight. We spend about 8 percent of that for foreign aid to reduce the probability of war and to maintain the initiative in the cold war. Military assistance makes as great a contribution to U.S. security, dollar for dollar, as the funds in our own defense budget. The cost involved in both programs is the price of our own security.

**THE FOREIGN AID PROGRAM PROPOSED THIS YEAR IS SMALLER THAN THE AVERAGE PROPOSAL OF PAST YEARS**

This year's request is less than the amount requested in 10 of the 15 fiscal years since the Marshall plan began. It is about \$1 billion less than the average request over the last 15 years, 4 of which were over \$7.5 billion.

The United States today is spending 10 percent of its gross national product (GNP) to improve its national security. Only one-twelfth of this spending goes for foreign aid,

and almost half of even this amount is for military and related strategic aid. The request for military aid is only 3 percent of the regular defense budget.

Foreign aid expenditures have declined as a percentage of U.S. gross national product from almost 2 percent at the beginning of the Marshall plan to seven-tenths of 1 percent today, as a share of the Federal budget from 11.5 percent in 1949 to 4.1 percent today.

**FOREIGN AID IS NOT NOW A MAJOR CAUSE OF OUR SERIOUS BALANCE-OF-PAYMENTS PROBLEM AND GOLD OUTFLOW**

While aid has been an important contributory cause in the past, policy changes since 1959 and especially in the last year have achieved the result now that 90 percent of all aid commitments goes to purchase U.S. goods and services. Thus a cut of \$1 billion in foreign aid would cut \$100 million from the deficit in the balance of payments but \$900 million from U.S. exports. Even if surplus agricultural commodities, military aid, and Export-Import Bank loans are omitted, 8 out of every 10 economic aid dollars are spent in the United States. Moreover, the U.S. share of actual total AID expenditures has been rising at a rate of about 10 percent yearly, and the military assistance program now has reached the point where it actually helps our balance-of-payments position. The present payments problem is a serious one, but it cannot be laid at the doorstep of foreign aid.

**SHARP CUTS IN THE FOREIGN AID PROGRAM WOULD DO SEVERE DAMAGE**

Despite the recommendation of a \$4.1 billion program by the House Foreign Affairs Committee, the program was slashed to \$3.5 billion on the House floor. This heavy cut raises many dangers:

In the Alliance for Progress, the 25-percent cut to \$450 million would mean that fewer funds would be available this year than last year, though the opportunities for useful investment in Latin America are substantially increasing, not decreasing;

Would indicate that just when the Alliance is demonstrating real progress and after U.S. criticism of Latin American performance, it is the United States which appears to pull back from its Alliance pledges;

Would reduce U.S. aid to all 19 Latin American countries under the Alliance this year to about the amount of Communist aid to the single island of Cuba; and

Would weaken pro-U.S. and pro-Alliance forces in Latin America and be a boon to Castro and the Communists. In gloating over the recent cut, one Communist newspaper wrote: "Only the naive and servile can continue to believe in the Alliance for Progress." Fidel Castro himself, attacking the Alliance on July 26 of this year as "an instrument of aggression against the Cuban revolution," scoffed that "the North American treasury every day is more incapable of mobilizing resources that will permit it to sustain . . . its allies in these countries."

In military assistance, a \$400 million cut in this fiscal year to \$7 billion would place the United States in a position of reducing assistance to its allies at a time when Communist threats to free world security are backed by an improving arsenal. About 70 percent of total military assistance in fiscal year 1964 (and almost 80 percent of associated supporting assistance) was planned to go to nine key countries on the periphery of the Sino-Soviet bloc. None of these countries has the resources to maintain the forces which our own Joint Chiefs of Staff consider desirable to repel any Communist aggression. Any reductions in military assistance would fall principally on these countries.



For development loans to countries in Asia, Africa, and the Near East, the reduction to \$900 million would in view of present U.S. commitments tightly limit aid to many countries adjacent to the Communist bloc and hit our modest aid to African countries especially hard.

Requirements for U.S. aid this year to four countries under multilateral programs (India, Pakistan, Turkey, and Nigeria) exhaust more than 80 percent of funds which would be available. This leaves less than 20 percent available for 39 other countries in these areas of the world.

The House floor cut of \$160 million is equivalent to all of the development loans made last year to all the countries of Africa and the Far East.

For the contingency fund, the reduction to \$150 million would make the fund \$100 million less than in 1963 and \$125 million less than in 1962; and puts the fund at its lowest level since its establishment in 1959 as a separate fund to be available for unforeseen emergencies in a rapidly changing world.

**CHARGES THAT FOREIGN AID HAS FAILED AND GOES ON INDEFINITELY ARE INACCURATE**

Foreign aid has generally done the job for which it is designed. This is true both where its principal aim was to forestall the threat of internal collapse and Communist military takeover, as in Korea, or where its purpose was to help countries toward economic growth and development, as with the Marshall plan. Moreover, the United States now has an end to its aid programs in mind, even though the end for some countries is not clearly in sight.

Foreign aid to 14 nations of Western Europe under the Marshall plan and to Japan, Spain and Lebanon has been an obvious success. Economic aid to these countries has been terminated, most of it some years ago; and other countries—especially Greece, Israel, free China, the Philippines, Mexico and Venezuela—will soon join the ranks of countries no longer receiving U.S. economic aid.

Military assistance to our NATO partners such as France, Germany, and the United Kingdom was designed to insure that NATO presented a creditable deterrent to Communist aggression in Europe. This has been accomplished, and the United States will make no new commitments for provision of military equipment to these countries.

Foreign aid has helped many countries in Asia, Latin America, and Africa move increasingly toward economic and political stability. It has assisted hard-pressed governments there to show that progress under non-Communist governments is possible and see tangible evidence of U.S. concern for their well-being.

Former successes in foreign aid are permitting reductions in its current cost, and successful military security assistance in the past has encouraged increased emphasis on economic development aimed at making countries self-sufficient as soon as possible.

**THE FOREIGN AID PROGRAM OF TODAY IS NOT THE SAME OLD PROGRAM MAKING THE SAME OLD MISTAKES**

With the reorganization of foreign assistance efforts under AID in 1961 and the recruitment of many able persons including a number of businessmen, the economic aid program has substantially and continuously improved. Stricter standards have been introduced, self-help conditions for aid have been emphasized, interest rates have been raised and loan terms tightened for countries better able to bear them, and old procedures have been and are being streamlined.

The nature of the aid program has changed. Fifteen years ago our aid went almost entirely to Europe and Japan; today it is aimed at Latin America, Asia, and Africa. Where 90 percent of Marshall plan aid was

in grants, economic aid is now on a loan basis, dollar-repayable and on soft terms. Ten years ago most of our aid went for military and related strategic assistance to arrest urgent problems; today this kind of aid has been cut in half and reduced by almost \$1 billion over the last 3 years. Today, aid is aimed at long-term gains designed to forestall crises before they occur, not to meet them after they occur.

The present aid program is highly selective and concentrated. Estimates are that 20 countries will receive about 80 percent of total AID-provided economic assistance; 5 of these will receive 80 percent of Development Loan funds; 6 Latin American nations will receive 80 percent of Alliance for Progress funds; and 10 countries will receive almost 80 percent of total military assistance.

U.S. aid is not dispensed indiscriminately, the same for all countries. It is carefully tailored, with the aid of the congressional committees concerned, varying with the degree of United States and free world interest in a country, the extent of the country's needs and self-help measures, and the availability of assistance from other sources. Countries receiving economic aid fall roughly into three categories:

1. Where aid is directed to lasting economic and social development—some 30 countries.
2. Where the short-range goal of maintaining external or internal security is primary to the long-term development goal—about seven countries, a declining number.
3. Where U.S. participation is quite small and limited in scope—more than 40 countries, many of them in Africa.

Another major change in the aid program concerns the expanding role of private enterprise. Earlier aid programs consisted of technical assistance and military aid. Present programs, emphasize loan funds and guaranties against certain risks to U.S. investments, are designed to effect maximum economic growth based on private initiative backed by improved government services and policies. Also universities, foundations, unions, trade and citizen organizations, and many other elements of the private sector are heavily involved.

**THE FACT THAT THE DEVELOPED COUNTRIES OF EUROPE ARE NOT CARRYING THEIR SHARE OF THE ECONOMIC AID BURDEN DOES NOT MEAN THAT THE UNITED STATES CAN NOW AFFORD TO DO LESS**

While other developed countries generally are not yet doing their full share, there has been progress—much of it due to U.S. pressure—and the United States is pushing them further.

Economic aid from Western Europe and Japan has doubled, from \$1.2 billion in 1956 to \$2.4 billion in 1962. By 1962, the proportion of direct U.S. economic aid to that provided by other developed countries was 60 to 40 percent, approximately the ratio of the U.S. national product to that of these other countries. Three or four West European countries give a greater share of their GNP for aid than does the United States.

The United States has increased its pressure for improved aid performance by other prosperous countries, especially concerning the terms or quality of their aid, and there has been some recent progress here as well. In some recent loans, the British have cut their interest rates effectively in half and Germany has increased its grace periods to 7 years.

Doing less ourselves, however, is unlikely to cause other countries to do more. A better answer lies in continued U.S. pressure, demonstrations that America will not assume aid burdens which others do now and should carry, and European awareness that their aid, like ours, can lead to expanding their commerce and markets.

**THE FOREIGN AID PIPELINE CANNOT BE USED FOR NEW PROJECTS IN THE YEARS AHEAD**

It is sometimes said that foreign aid could be provided out of funds already voted by the Congress but not yet actually expended. This is not the case as these funds, the so-called pipeline, represent commitments the United States has made but not yet fulfilled. All funds in the pipeline have been committed for specific projects and purposes, though not yet fully expended. Only in rare cases could these funds be diverted to meet new requirements. It may take several years to spend all funds necessary to build a dam, for example, but the United States cannot promise to build another dam in a second country with the money set aside to build the first. While certain projects could continue with funds previously committed for them even if new funds were not available, others would cease only half-finished and no new projects could begin. In addition, planning and implementation of current projects often are predicted on the completion of earlier related projects to sustain program continuity and progressive achievement.

**THE FOREIGN ECONOMIC AID PROGRAM DOES NOT FIT THE STEREOTYPED NOTION OF GOVERNMENT-TO-GOVERNMENT AID WHICH NEVER REACHES THE PEOPLE**

While aid is provided on the basis of explicit or tacit arrangements between the U.S. Government and foreign governments, it is a mistake to believe it goes only or even chiefly for government operations. Most development loan funds, for example, are used for imports needed by the economy as a whole, especially the private sector, industrial or agricultural credit for private borrowers, etc. In addition, the U.S. aid program furnishes a number of services for U.S. investors, including guaranties and surveys, and it involves a great number of private American educational, business, and professional organizations and figures. U.S. aid also has provided vaccines, health services, school lunches, classrooms, textbooks, water systems, housing, seeds, and technical training for millions of persons.

**Mr. HUMPHREY.** Mr. President, if Senators would look at the memorandum, they would see that it answers many of the questions which have been raised about the foreign aid bill. It outlines rather clearly the several features involved in the foreign aid bill and compares the foreign aid bill of the present year with the foreign aid expenditures and authorizations of previous years. The purpose of the memorandum was not necessarily to be persuasive and convincing, but rather to offer factual information that will keep the debate in the Senate—and I hope in the public press and other media—on responsible and reasonable terms.

Mr. President, I plan to make my major statement on the foreign aid bill in relation to the area of Latin America and the Alliance for Progress. I hope to do so tomorrow immediately after certain morning business has been transacted.

I also wish to announce now my intention of bringing to the Senate floor some tangible, visible evidence of progress in Latin America during the past 2 years—in other words, the use of visual educational materials.

Too often we depend upon merely the spoken word in the Senate to perfect our case. I have long been of the opinion that visual display material can be even more effective and, indeed, can be most effective with the American public. So

I announce today my intention of exercising rather unorthodox procedure tomorrow in presenting my case for the foreign aid bill.

Today I would like to call to the attention of my colleagues an analysis of one of the crucial problems confronting this hemisphere, communism in Latin America. Early this summer, an article in the *Saturday Evening Post* on this subject presented a truly alarming picture of the rising influence of communism in Latin America. Because of the importance I attach to having a balanced analysis of this issue presented to the American public, I asked our top Latin American policymaker in the State Department, Assistant Secretary Edwin Martin, to comment on this article. He has done so in a perceptive analysis of some of the problems we confront in Latin America and the progress we have made in meeting them during the past 2 years. His letter describes what we are trying to do to aid our friends to resist Communist infiltration of universities, labor unions, secondary schools, and communications media.

Mr. Martin's letter is a very good, hard-hitting answer to some of the points that were outlined in the *Saturday Evening Post* article.

I believe Mr. Martin's analysis, in indicating where we have progressed and what problems remain unsolved, points up once again the importance of ideological information and propaganda activities in the struggle for men's minds in Latin America. It is in that area that we have expended the least of our resources, and it is in that area of ideological information and propaganda or educational activities that we have used so little of our resources.

I found it most interesting that in the response to my "Report on the Alliance for Progress" which I issued in March of this year, Latin American observers commented most frequently on that section of the report in which I discussed the ideological basis of Marxism and Communism. Referring to the Mexican situation, I stated:

The continued Marxist grip on the minds of some Mexican university professors and students attests once again to the fact that the ideological basis of communism is its principal attraction for educated groups, not its economic critique. It is for that reason that communism captures the university before the slum.

This strong attraction of Marxism and communism among the intellectual elite groups is one of the best reasons why we should step up our activities in the information, education, and propaganda fields.

We should not cut back our USIA programs in those fields, for example, but they should be expanded. If we paid a little more attention to the needs of our educational, cultural, scientific, propaganda and information activities, we would possibly be making much more progress in the Latin American area for the cause of freedom and democratic society.

We should step up our programs in the area of cultural and educational exchange. We should intensify our pro-

grams aimed at university students and professors, at television, cinema and radio writers and producers, and at journalists and editors. To do this, however, we must provide the necessary funds for these programs through USIA and the State Department's educational and cultural affairs program.

Mr. President, if there is any reason why we have been failing, it is the failures of Congress. This Congress, which was willing to appropriate more money for defense than the President asked for, is unwilling to appropriate the money the President asked for cultural, educational, and informational activities. Apparently, we feel that we are better generals than the Joint Chiefs of Staff and, apparently, that we are better educators than those responsible for our educational efforts overseas.

The recent action of the House in cutting the administration's requests for these programs was ill advised, ill considered and ill timed. At the appropriate moment, I intend to see to it—to the best of my ability, at least—that these cuts are reversed, that our people in charge of these programs in Latin America are provided with the funds to do the job that needs to be done.

I have advised our people in these agencies to come to Congress and say, "If you know how to operate the program better than we do, then take it, if you are going to constantly complain that we do not do a good job."

Let me make clear for the RECORD that while we put up half the money required to do the job, the Communists spend anywhere from 10 to 20 times as much as we do in the Latin American area alone on propaganda, informational, and cultural activities. Everyone knows that. We insist on having an arms race with the Russians in an area of the world where there are no arms—namely, Latin America. We spend far less on our educational, scientific, and cultural programs in the Asian, African, and Latin American areas than do our opponents and competitors, the Communists. We spend far more on military programs all over the world than do our competitors and enemies, the Communists. I happen to believe that our efforts in armaments produce some rather good results. The Communists have found they cannot keep pace. They are retreating from the arms race, only to step up their propaganda race. Since we have no intention of using the guns we manufacture to kill people unless a war is forced upon us, the Communists go ahead with their programs of education, information, and propaganda with little or no resistance from us.

Our friends in the USIA and the State Department, who handle educational and cultural programs, have done a very good job. They wrestle with a giant with one arm, while the other arm is tied behind the back, and both legs tied, because Congress prefers to provide money for military programs rather than for the tools and weapons that are really needed in the struggle today; namely, the cultural, educational, scientific, and propaganda activities.

I was in Germany over the weekend, and I talked with some of our ambas-

sadors who were gathered at Bonn for a regional meeting of the chiefs of mission of the American diplomatic services in the European area. I learned, for example, that despite the limited amount of money available, many thousands of people in the Iron Curtain countries come to look at the American exhibits in American embassies there. My good friend, Mrs. Eugenia Anderson, who is our Minister to Bulgaria, was kind enough to call me by long-distance telephone from Bonn while I was in Frankfurt. She told me that the developments she had witnessed in Bulgaria were most reassuring and comforting; that each day thousands of people come to see the small number of paintings that the USIA is able to provide out of its limited budget for this area of the world. Of course, we operate under severe restrictions because of the Communist Government of Bulgaria, but the people are hungry for our message.

Mr. President, I saw the same thing in Latin America. I saw exhibits in Santiago, Chile, that attracted thousands of people. I saw binational centers that were giving educational services to thousands of people; and yet I saw our own country running a poor second to Cuba in terms of educational, or if we wish to so call it, propaganda material.

When the great United States of America cannot keep pace even with Cuba in the fields of cultural activities and educational activities, there is something wrong in terms of our priorities.

I believe I know what is wrong with our priorities. This morning, I spoke to a committee on behalf of the program for promotion of the arts in the Federal Government, and I made note of the fact that we go around as though we were paupers passing the cup, hoping to get the \$30 million necessary for a National Cultural Center for the Capital of the greatest Nation in the world—for the capital of freedom in this entire world. Every other country in the world, with no exception, has a much better cultural center or auditorium and a much better cultural program in terms of government activities, than the United States.

But there are some very good horse races around here. There are some good night clubs. There are some fine commercial recreational establishments. We provide them with all kinds of tax deductions and business expense allowances to keep them going. But, when it comes to a National Cultural Center, the same Nation that has a Congress which votes a budget of \$48 billion in one afternoon for defense expenditures stands paralyzed and cannot seem to find \$30 million to build a National Cultural Center for the capital of the free nations of the world.

This is indicative of why we are in trouble in many parts of the world. We build the biggest atom bombs, and yet we put the least emphasis upon some things that are just as important.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter to me signed by Assistant Secretary of State Martin in answer to the article which was published in the *Saturday Evening Post* entitled "Communism in Latin America."



There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,  
Washington, D.C., July 29, 1963.

The Honorable HUBERT H. HUMPHREY,  
U.S. Senate.

DEAR SENATOR HUMPHREY: I was pleased to receive your letter of July 11, 1963 concerning Richard Armstrong's important article in the Saturday Evening Post on communism in Latin America. I have read the article with great interest and care and am happy to give you my appraisal of it.

I want to preface the critique by saying that my general comments do not constitute either agreement or disagreement with all the specific assertions of fact and value judgments which it contains. To give an opinion on each of these is a task beyond the scope of this letter.

As an overall judgment I would say that Mr. Armstrong has accurately identified the danger spots which the Communists are exploiting and correctly listed the different tactics they are using. He also issues warnings which many Americans would do well to heed. But I think he paints a darker picture of the degree of Communist gains than the facts at the present moment justify. This is by no means to say that Communist subversion is a minor threat. It represents a serious danger, and that is why we and our democratic friends throughout the hemisphere are combating it. Because these efforts are producing concrete results, I do not believe that we are teetering on the brink of disaster as an uncritical reading of the article would convey.

Turning to a few specifics, I do not agree with Mr. Armstrong's apparent impression that, because the "Communists have never sung their hopes so high," they see victory within reach. The Communists, I believe, are rather making the type of self-serving statements that reflect less rather than more self confidence. Certainly they see powerful social movements at work in the area which they, as a small minority, hope to mount and ride to power. But they also confront, as the author himself notes, some very strong forces, such as a growing number of reform-minded leaders of the democratic left, an Alliance for Progress on the move, and a greater mobilization of the middle and upper classes, the clergy and the armed forces. In this connection I want to point out that the ruling classes are not a hopelessly benighted group which stubbornly continues to oppose change, as the article implies. Many significant elements in these groups understand the social forces at work in their respective countries and are playing important roles in reform movements. Furthermore, the Communists are not as monolithic and well-disciplined as might seem. The missile crisis of last October severely tarnished the Castro image and deflated the claim that communism is the wave of the future. The tug of war between Moscow and Peking for leadership of the world Communist movement is also sapping the strength of the Latin American Communists as divisions deepen in their own ranks.

I am sure you will agree with me that we must be very careful not to regard the growing manifestations of nationalism, anti-Yankeism, independence and reform in Latin America as a yardstick by which to measure Communist strength. Our task is to assist the Latin American people, as we are doing through the Alliance for Progress, to work out their own solutions to their economic and social problems. At the same time we must also help them in other ways to defend themselves against the Communists who are constantly seeking to block the gains being made under the Alliance. Contrary to the implication of the article we do not regard Latin America as an "Amer-

ican fief" nor do we insist that the Latin American States become "simon-pure American style capitalist states." I think it is very important for us to interest other free world countries in involving themselves in Latin America to keep the choice from looking like one between communism and "U.S. brand democracy" and to put across the point that the choice is between a slave and a free world, enriched by variety.

Mr. Armstrong places considerable emphasis on the inroads which the Communists have made in intellectual and student circles. I would not minimize these inroads, but I do not think that they are greater today than they have been over the past two decades. What has increased is the determination of moderate elements to do something about it.

To illustrate this point I shall be glad to place at your disposal a paper prepared by my office at the end of 1962 which deals in some detail with the progress being made by non-Communist students in the universities. This year, despite some disappointments, I have seen nothing to invalidate my belief that the moderate elements in university circles, which have long been passive, are becoming increasingly aware that they have great interests at stake in the ideological struggle and that they must defend them actively. They still have a long way to go before becoming a powerful cohesive force, but the trend is a heartening one.

It is paralleled by a growing tendency in the more extreme leftist, though not strictly Communist, university and intellectual circles to say "a plague on both your houses," meaning on the Communist and the "Yankees." Without in any sense advocating "neutrality" or "third foreism," I venture to call this too a desirable development, because I welcome loss of faith in something evil as well as a spectacular conversion to something good. Public conversion comes hard to most people, especially to those who attach a lot of importance to "face." We will have to be patient with many prominent people who, precisely because they are breaking away from Communist influence, find it expedient to be noisily "anti-Yankee imperialist" in order to prove their intellectual, political, and emotional independence.

The special box on university leaders written by Trevor Armbrister throws out of balance the comments on university trends that Mr. Armstrong makes toward the end of his article. I have strong doubts that the Peruvian university student leader, for example, could make good his threat to stir up the peasantry. The cultural and emotional gaps between Latin American intellectuals and the workers of their countries are more frequently harder to bridge than those between well-oriented foreigners and those same workers.

The article gives an erroneous impression that the Communists hold a virtual monopoly of the creative talents in Latin America. An equally impressive list of outstanding personalities whose attachment to the free world is beyond question could be prepared. To mention just a few: the Mexican painter Rufino Tamayo, the Argentine writer and poet Jorge Luis Borges, the Venezuelan Novelist Romulo Gallegos, the late Chilean Nobel Prize poet, Gabriela Mistral, and the Argentine Nobel Prize scientist, Bernardo Houssay.

It is hard to gage progress made in reducing the glamour of communism in certain intellectual circles in Latin America. However, I think that the stationing of Soviet missiles in Cuba and Khrushchev's cavalier treatment of Castro in withdrawing them under U.S. pressure produced a very marked disenchantment among intellectuals who were not confirmed Communists, many of whom have pronounced "ban-the-bomb" proclivities. The process of dissipating the vogue of extreme leftism and fellow-

traveling will create many problems for us. We can expect it, in its early stages, to confront us with a myriad of hairsplitting, overtly anti-American factions. As Mr. Armstrong warns, we shall have to take care not to reunite them by looking on them with too little subtlety and understanding. Part of the job ahead is to convince the Latin American intellectual that he can live in dignity with us, without having to parrot our own particular sense of what is democratic and desirable. Part of our task with the Latin American intellectuals is to convince them that we are interested not only in their knowing our achievements but also in learning from what they have to offer to us. In other words cultural exchange must really be a two-way street.

Communist influence in the news media shows a pattern similar to that in intellectual circles. They have their own newspapers and magazines some of which are done well enough to have public appeal. Perhaps more serious problems exist in connection with reputable newspapers and radio and TV stations which for a variety of reasons continue to furnish outlets for clever and unscrupulous Communists, fellow-travelers and opportunists. Nevertheless, the total of their output or impact does not compare with the resources and influence of the media which follow an independent or anti-Communist line. The wide acceptance of USIA news output and radio and television programs is a clear indication of the orientation of the large majority of the Latin American news media.

Turning to Mr. Armstrong's description of the four main tactics being used by the Communist, I think the reader can get the impression that Communist subversion is running rampant throughout the hemisphere. This is not the case. Take the first tactic: "terror in the cities." The only place where we find terror being used to any significant extent is in Caracas, Venezuela where the Communist have been forced to resort to violence because they enjoy little popular support. In doing this they have provoked the wrath of a vast majority of the Venezuelan people and the Government. President Betancourt had undertaken increasingly energetic and effective security measures to deal with the problem.

The second Communist tactic mentioned by Mr. Armstrong is "guerrilla warfare in the backlands." At one point in the article he makes the statement: "Colombia is not the only country infested by Communist guerrillas." The truth of the matter is that there is no country in Latin America "infested" by guerrillas. The few bands which operate in Venezuela have gotten nowhere as the armed forces, with the cooperation of the campesinos, continue to harass them. In Ecuador last year an attempt by a band of young rebels (many less than 200 the author estimated) to launch guerrilla activities was quickly put down. Just a few weeks ago in Peru the Government caught Castro-type Guerrilla Leader Hugo Blanco as well as a group of Cuban-trained revolutionaries which had clandestinely entered the country from Bolivia. In Brazil there have been periodic instances of violence in the northeast with some indications of Communist involvement, but these should not be confused with Communist guerrilla activity which to my knowledge is nonexistent. Mr. Armstrong narrates the failure of Castro-backed Brazilian Communists to establish guerrilla training centers in the interior of Brazil. As I noted in my statement before the Selden subcommittee last February, and as Mr. Armstrong acknowledges but in passing, violence in Colombia is basically banditry rather than Communist-controlled insurgency.

With regard to the third tactic—"creation of popular fronts designed for the election of Communists for pro-Communists"—Chile

is the only country where the Communists have an adequate base to pursue this approach. However, the results of the recent Chilean municipal elections and disensions within the Communist-dominated coalition FRAP have considerably reduced the possibilities of the Communists coming to power through the next elections. On the other hand, Communist influence in British Guiana is quite a different matter, and the problem there is very real and substantial.

The Communist technique of infiltration—the fourth tactic—is the easiest to disguise and therefore the hardest to detect and counteract. While growing spirits of nationalism and independence may in the long run serve to frustrate Communist objectives, it now frequently serves as a shield for Communist infiltration and at the same time makes our task of warning a government of the consequences more delicate. Nevertheless, we are keeping a close watch over this form of subversion and doing as much as we can to help other governments deal with it.

You ask for a candid evaluation of the effectiveness of our antisubversion program in Latin America today. My answer is that, while we have a considerable way to go, we are making progress and I am optimistic. Our principal enemy in Latin America is not communism but immature intellectuals and demagogues with limited knowledge of communism and its results on the lives of people who live under it, and the widespread poverty, ignorance and disease which provides these people with arguments and issues. We are energetically trying to correct these ills, and in the process strengthen democratic institutions and remove the conditions on which communism breeds. The Communists are trying to exploit them in order to gain power and implant their totalitarian system. Based on this assessment, our program contemplates two parallel courses of action. One is to work with the Latin American governments through the Alliance for Progress to achieve greater intellectual and political maturity, economic development, social justice and political stability. The burden of our effort must be concentrated here. But while we do this, we must also make sure that our flanks are protected against the sorties of Communist subversion.

Ted Moscoso is in a better position to comment on the gains we are making through the AID program. I am glad that you sent him a copy of your letter to me asking for his suggestions. He will be writing directly to you.

With respect to the defense of our flanks, we are moving ahead on two fronts. One is the multilateral; the other the bilateral. Progress on the multilateral front is reflected in the decisions reached last April at the Managua meeting of Ministers of Governments, Interior or Security of the five Central American states, Panama and the United States. A copy of the final act is enclosed. Implementation of the decisions is in progress. Another accomplishment is represented by the report which the Council of the OAS sent to the governments this month urging that they implement the specific recommendations contained therein for control of travel to Cuba, the flow of subversive propaganda and the transfer of funds for subversive purposes. I am also sending you a copy of this document. A third element in the multilateral effort is the steps we are continuing to take to increase the isolation of Cuba and thereby reduce its subversive potential.

Bilaterally we are seeking to increase the internal security capabilities of the Latin American countries through a variety of measures tailored to meet the needs of each. The emphasis is on training and equipping the armed forces and civil police. The military personnel are being trained in riot control, counterterrorism operations and tactics,

intelligence and counterintelligence, public information, psychological warfare, and other subjects. The police personnel are training in organization, administration, riot control, records and investigations. To a considerable extent equipment being furnished to the Latin American countries under the military assistance program is designed to fit in with the increased emphasis on their internal security requirements.

While in this battle there is always the need for improvement, I am satisfied that our two-pronged approach to the problem of Communist subversion is making progress. Our task will continue to be to mobilize our human and material resources, and to make the most of the psychological advantages we enjoy in this respect. We have been developing constantly better techniques for doing so. We have, I am sure, many advantages of which we are hardly aware, and I am constantly pressing for identification and positive understanding of them, as well as of the much advertised liabilities we suffer in the area. My own conviction is that we can do everything better than the Communists, if we will not allow ourselves to be distracted from the job, or get panicky and expect miracles every day. With your help and that of others who, like you, have looked deeply into the Latin American scene, I am sure we can proceed with confidence.

I hope that this assessment of the Post article will be of use to you. If I can be of any further assistance, please do not hesitate to let me know.

Sincerely,

EDWIN M. MARTIN,  
Assistant Secretary.

Mr. HUMPHREY. Mr. President, the only reason we have not done better in many of these areas is that we really have not tried to do so. We have talked about it. We have made speeches about it. We have written articles about it, but we really have not tried.

Tomorrow, I am going to demonstrate how the Alliance for Progress, despite its imperfections, and despite the failure of Congress—and indeed the executive branch—to do the best job that could be done, has made substantial progress. I am hopeful the Senate will sustain the action of the committee.

The action of the committee on the Foreign Assistance Act of 1963, in reference to the Alliance for Progress, is not all I had hoped it would be. It is my view that the social progress fund for the Alliance for Progress should have been granted in its entirety. It is my view that the funds set aside for housing will be inadequate. It is also my view that the administration of some of these programs has been too tardy. We are beginning, however, to make considerable progress in the improvement of administration, and I want to be sure that whatever I may do as a Senator will not impede effective administration. I want to be sure that what we do in this program will be enough to really be effective.

I have used the example many times, because it is a relevant example, that if a man has a serious infection, which requires, according to medical analysis, treatment by penicillin, there is no use giving that patient 25,000 units of penicillin, even though much money could be saved by giving him that small a dosage. We might as well give him Smith's cough drops. In fact, he might be better off, because he would avoid the

danger of a reaction. When a man needs 1 million units of penicillin to repel an infection, it does not do much good to give 100,000 units or 200,000 units.

The great area of Latin America is today the victim of very serious political and economic infection, political instability, economic backwardness, illiteracy, all sorts of social ills. We have been attempting to deal with that type of infection—political, economic, and social infection—with inadequate dosages of the treatment that has been prescribed. The doctors in Congress, I am afraid, are trying to cut down the dosage that the conservative doctors presented originally, or the original prescription. So I hope we will not let the patient die by quibbling over the cost of the medication.

Perhaps some of my colleagues have read the article, "Funerals Are Costly"—regular funerals and political funerals. It is costly to try to rescue nations once they have been the victims of tyranny or communism. The cost is fantastic.

Had we had more vision in some of those areas, we might have saved ourselves some trouble.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I am happy to do so.

Mr. DOUGLAS. At the very end of the foreign assistance authorization bill, at the bottom of page 53, there is some cryptic language, reading as follows:

For the purposes of this title and title IV, the term "surplus agricultural commodity" shall include any domestically produced fishery product if the Secretary of the Interior has determined that such product is at the time of exportation, "in excess of domestic requirements, adequate carryover, and anticipated exports for dollars."

Does this language refer to what is known as high-protein fish concentrate, otherwise known as fish flour?

Mr. HUMPHREY. Yes; it can very well cover that product.

Mr. DOUGLAS. I am glad of that.

Is it not true that the American Academy of Science finds that high-protein fish concentrate, or fish flour, is completely wholesome and nutritious, has absolutely no toxic qualities, and is 100-percent safe?

Mr. HUMPHREY. The Senator is absolutely correct. In many areas of the world such a product could be used to meet nutritional deficiencies.

I think the amendment specifically related to canned fish products, which could provide greatly needed nutrition.

Mr. DOUGLAS. So it does include fish flour?

Mr. HUMPHREY. It is my interpretation that it includes fish flour.

Mr. DOUGLAS. Is it not true that fish flour has a high-protein content of approximately 85 percent?

Mr. HUMPHREY. I believe so. The Senator from Illinois has been one of the most persistent and effective advocates of this product. I made a trip about a year ago to South America. I cannot recall in which particular country it was, but I recall that in that country the medical profession told me there had been a decided improvement in the



health of children particularly as a result of the use of fish flour, because it had brought about an increased intake of protein.

Mr. DOUGLAS. Is it not true that fish flour can be produced in bulk at an average cost of 14 cents a pound?

Mr. HUMPHREY. Yes; I have heard that testimony.

Mr. DOUGLAS. This amounts to a very cheap form of nutrient.

Mr. HUMPHREY. Yes.

Mr. DOUGLAS. Is not this of great benefit in tropical countries close to the equator, where the presence of heat and the absence of refrigeration makes it virtually impossible to preserve meat, fish, and milk?

Mr. HUMPHREY. The Senator is correct. Only dried milk can be used there. Fish flour involves very much the same type of operation. Fish is processed into a usable, nonperishable commodity.

Mr. DOUGLAS. And the American Academy of Science has pronounced it completely sanitary, sterile, and beneficial?

Mr. HUMPHREY. The Senator is correct.

Mr. DOUGLAS. And the Secretary of the Interior has given this product his endorsement?

Mr. HUMPHREY. The Secretary of the Interior has done so. The language on page 53 of the bill is:

For the purposes of this title . . . shall include any domestically produced fishery product if the Secretary of the Interior has determined that such product is at the time of exportation in excess of domestic requirements, adequate carryover, and anticipated exports for dollars.

Mr. DOUGLAS. Now we come to the real catch. Because the head of the Food and Drug Administration, Mr. Larrick, has declared, on his own initiative, that fish flour, or fish protein concentrate, shall not be allowed to be sold in the United States because it is produced from the whole fish and therefore includes the digestive tract of the fish and the head of the fish. He has pronounced it repulsive and unesthetic, and therefore not fit for any American to eat.

I may say, in explanation, that the fish is crushed, subjected to a number of solutions of alcohol, a number of solutions of water, thoroughly baked, and is made completely sterile. But Mr. Larrick says it is unesthetic because it may raise in people's minds the memory of where it came from, although it is a brown powder, with no repulsive qualities, and although the Food and Drug Administration permits rattlesnakes, ants, silkworms, snails, chocolate-covered baby bees, grasshoppers, whole squid, and caterpillars to be sold in American stores.

Mr. HUMPHREY. Beetles and grasshoppers.

Mr. DOUGLAS. Yes, chocolate-covered baby bees and grasshoppers, to be sold. We are going to be faced with this fact: Here is a product we are going to export, but the Food and Drug Administration has said it is improper for Americans to eat the product, so it is prohibited for use by Americans. I can hear the Communist propagandists in

Latin America and the Tropics saying, "Here is a substance Americans will not consume themselves, but they give it to us in assistance."

Does not the Senator think perhaps a little persuasion should be exercised on the Food and Drug Administration and its head, Mr. George P. Larrick to observe the realities of this product? The Senator is a pharmacist. This is only one of his many fine accomplishments.

Mr. HUMPHREY. I am not an expert on fish flour.

Mr. DOUGLAS. I should have brought some along with me.

Mr. HUMPHREY. I had some fish flour biscuits, or something the Senator had prepared. They are delicious. I will see what we can do to be persuasive and convincing with the head of the Food and Drug Administration. In many areas where the finest fruits are prepared and consumed, and where health standards are high, fish flour is an accepted food product.

Mr. DOUGLAS. But the head of the Food and Drug Administration prohibits Americans from eating it. There are Americans with low incomes and other people living in tropical countries whose diets would be greatly improved by the addition of fish flour. This product can be stored indefinitely without refrigeration. The foreign policy of the United States is subject to criticism in this respect.

Mr. HUMPHREY. I am hopeful that this new provision in the bill will be effective, and I trust that the Food and Drug Administration will not stand in the way of its implementation. In order to bar unfair criticism, it would seem to be a wise policy for the agency to reassess its earlier judgment and to see if it cannot find, within the terms of its scientific standards for purity and for—

Mr. DOUGLAS. They admit it is pure. They admit it has high value as food. They admit that it is extremely beneficial. However, they say, since it comes from the whole fish, it raises bad thoughts in the minds of people as to its origin, and therefore should not be permitted to be in circulation. They do not object to caviar.

Mr. HUMPHREY. The Senator is making a very good case.

Mr. DOUGLAS. Caviar, as the Senator knows—I know he leads a simple life and does not eat large amounts of caviar—caviar is the eggs of the sturgeon.

Mr. HUMPHREY. Only when I am out on the embassy circuit do I eat caviar. I must confess that before I came to Washington I had never indulged in caviar. After 15 years I believe I have gotten to the point where I almost enjoy it.

Mr. DOUGLAS. Oysters have a digestive tract. The Food and Drug Administration does not object to oysters, although oysters have a digestive tract.

Mr. HUMPHREY. The Senator has almost turned me against oysters.

Mr. DOUGLAS. As a matter of fact, one can eat silkworms. They are approved by the Food and Drug Administration. Frankly, there are many things

that the Food and Drug Administration does which I do not like. This is only one of them.

Mr. HUMPHREY. I will do all I can to get the Food and Drug Administration to see the light on the matter to which the Senator has referred. I hope the Senator will feel that he has gained a rather substantial victory in the legislative process by the inclusion in the bill of fish products. He had considerable cooperation from a number of his colleagues from other parts of the country, but he has taken the lead on this matter. It seems to me that fish products offer a very fine opportunity for a source of food, and an opportunity for a better balanced program and a far greater use and availability for our people than heretofore.

Mr. DOUGLAS. Why should not the American people have the right to have fish protein flour?

Mr. HUMPHREY. I will take fish powder before I will take rattlesnakes or worms or beetles. Fish flour is perfectly nutritious, and it is a pure food, and it could well be included in the American diet.

Mr. DOUGLAS. I thank the Senator.

Mr. HUMPHREY. As I said, tomorrow I will hold forth on the Alliance for Progress, because to me the Alliance for Progress is the key and the heart of the whole foreign aid bill. I do not propose to say now or tomorrow that the Alliance for Progress has been a complete success. I do say, however, that it has made substantial contributions to a better life for millions of people in this hemisphere. I further say that it is on the road to success. I do not want anything to impede that process by unwise cuts or by restrictive language which might make it exceedingly difficult to carry out the program administratively.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### RECESS

Mr. HUMPHREY. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 51 minutes p.m.) the Senate took a recess until tomorrow, Tuesday, October 29, 1963, at 12 o'clock meridian.

#### CONFIRMATIONS

Executive nominations confirmed October 28 (legislative day of October 22), 1963:

##### IN THE AIR FORCE

##### To be lieutenant general

Maj. Gen. Fred M. Dean, 1450A, Regular Air Force, to be assigned to positions of importance and responsibility designated by the President in the grade indicated, under the provisions of section 8066, title 10, of the United States Code.

## IN THE MARINE CORPS

The nominations beginning Joseph A. Malley, Jr., to be major, and ending Harold R. Davis, to be major, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on October 17, 1963.

## IN THE NAVY AND MARINE CORPS

The nominations beginning Anthony J. Adaschik, to be ensign in the Navy, and ending David L. McEvoy, to be captain in the Marine Corps, which nominations were received by the Senate, and appeared in the CONGRESSIONAL RECORD on October 9, 1963.

## HOUSE OF REPRESENTATIVES

MONDAY, OCTOBER 28, 1963

The House met at 12 o'clock noon.

Rabbi Isaac Freeman, Congregation Agudas Achim, Newburgh, N.Y., offered the following prayer:

Almighty God, impart Thy protection and wisdom to the chosen Representatives of the American people. Accept our thanksgiving for the opportunity to extend Thy gifts of material and spiritual bounty to the enrichment of human life and culture.

We pray that Thou wilt quicken and sustain within us the understanding and awe that the seeds of the future are contained in this present hour—that each act and decision embodies the potentiality of both blessing and curse. Grant us reverence for the goodness woven into the souls of men and the courage to be faithful to that reverence. May the well-springs of our life be rooted in Thy eternity so that in word and deed, Thy dwelling place may ever be manifest in our midst.

May the words of our mouths and the meditations of our hearts be acceptable unto Thee, our Rock and our Redeemer. Amen.

## THE JOURNAL

The Journal of the proceedings of Thursday, October 24, 1963, was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2073. An act to place certain submerged lands within the jurisdiction of the governments of Guam, the Virgin Islands, and American Samoa, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 569. An act to amend the National Defense Education Act of 1958 in order to extend the provisions of title II relating to cancellation of loans under such title to teachers in private nonprofit elementary and secondary schools and in institutions of higher education, and to authorize for teachers in private nonprofit schools certain benefits under the provisions of titles V and VI of such act provided for teachers in public schools.

The message also announced that the Presiding Officer of the Senate, pursuant to Senate Resolution 168, 88th Congress, had appointed Mr. FULBRIGHT, Mr. BARTLETT, Mr. SCOTT, and Mr. FONG as a delegation to attend the general meeting of the Commonwealth Parliamentary Association, to be held in Kuala Lumpur, Malaya, beginning November 4, 1963.

The PRESIDING OFFICER, pursuant to said resolution, designated Mr. FULBRIGHT as the chairman of said delegation.

## TO AUTHORIZE CERTAIN CONSTRUCTION AT MILITARY INSTALLATIONS, AND FOR OTHER PURPOSES

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H.R. 6500, an act to authorize certain construction at military installations, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? The Chair hears none, and appoints the following conferees: Messrs. VINSON, RIVERS of South Carolina, PHILBIN, HEBERT, ARENDS, NORBLAD, and BATES.

## ADDITIONAL VIEWS ON H.R. 8864, INTERNATIONAL COFFEE AGREEMENT ACT OF 1963

Mr. MILLS. Mr. Speaker, I ask unanimous consent that I may file a supplemental report to accompany House Report No. 870 on H.R. 8864 so as to include therein the additional views of the gentleman from Missouri [Mr. CURTIS] and the gentleman from Texas [Mr. ALGER] which were inadvertently omitted in the filing of the report of the committee.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

## CONTINUING APPROPRIATIONS FOR CERTAIN DEPARTMENTS OF GOVERNMENT

Mr. BECKER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BECKER. Mr. Speaker, we are today about to bring up before the House a continuing resolution for appropriations for certain departments of the Government. I sincerely hope those of us who are vitally interested in trying to find out why we are approaching the 5th month of this fiscal year and the majority party has not brought appropriation bills before this House. I think we ought to know all of the reasons, then have a record vote so that we may be able to express ourselves as we rightfully should. If reasons or explanations are

not forthcoming from the Democratic leadership, then I cannot vote for this continuing resolution.

## CALL OF THE HOUSE

Mr. ASHBROOK. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 182]

|                |                 |               |
|----------------|-----------------|---------------|
| Abbott         | Gonzalez        | Morrison      |
| Abernethy      | Grant           | Multer        |
| Addabbo        | Green, Oreg.    | Nelsen        |
| Avery          | Green, Pa.      | Nix           |
| Ayres          | Griffin         | O'Brien, Ill. |
| Baring         | Griffiths       | O'Brien, N.Y. |
| Barry          | Gurney          | Osmer         |
| Battin         | Hagen, Calif.   | Patten        |
| Bolling        | Hall            | Pelly         |
| Bolton         | Halleck         | Pepper        |
| Frances P.     | Harding         | Pilcher       |
| Bolton         | Harris          | Powell        |
| Oliver P.      | Harvey, Ind.    | Quile         |
| Bonner         | Harvey, Mich.   | Quillen       |
| Brown, Calif.  | Hays            | Reid, Ill.    |
| Broyhill, N.C. | Henderson       | Reifel        |
| Buckley        | Herlong         | Riehlman      |
| Burton         | Hoeven          | Rivers, S.C.  |
| Carey          | Hoffman         | Roberts, Ala. |
| Celler         | Horan           | Roberts, Tex. |
| Clark          | Hull            | Roosevelt     |
| Clausen        | Hutchinson      | Rosenthal     |
| Don H.         | Jarman          | Roudebush     |
| Cooley         | Jennings        | Ryan, N.Y.    |
| Cramer         | Johnson, Calif. | St. Onge      |
| Curtis         | Kelly           | Schneebeil    |
| Daddario       | Keogh           | Shelley       |
| Delaney        | Kilburn         | Sibal         |
| Diggs          | King, N.Y.      | Skubitz       |
| Dingell        | Kluczynski      | Springer      |
| Dorn           | Kornegay        | Stafford      |
| Downing        | Landrum         | Stinson       |
| Dwyer          | Lesinski        | Taft          |
| Evins          | Long, Ia.       | Taylor        |
| Fallon         | McDade          | Thompson, La. |
| Farbstein      | McDowell        | Thornberry    |
| Feighan        | McIntire        | Tollefson     |
| Fino           | Macdonald       | Tupper        |
| Flynt          | MacGregor       | Utt           |
| Ford           | Madden          | Walhauser     |
| Foreman        | Mailliard       | Whalley       |
| Fountain       | Martin, Mass.   | White         |
| Fulton, Tenn.  | May             | Wickersham    |
| Fuqua          | Miller, N.Y.    | Widnall       |
| Garmatz        | Minshall        | Williams      |
| Gary           | Monagan         | Wright        |
| Gibbons        | Montoya         |               |
| Gill           | Moore           |               |

The SPEAKER. On this rollcall 293 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

## CONTINUING APPROPRIATIONS FOR CERTAIN DEPARTMENTS OF GOVERNMENT

Mr. CANNON. Mr. Speaker, under leave previously granted by the House I call up House Joint Resolution 782, a joint resolution making continuing appropriations for the fiscal year 1964, and for other purposes, and ask unanimous consent that this House joint resolution be considered in the House as in the Committee of the Whole.

The Clerk read the House joint resolution, as follows:

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the joint resolution of August 28, 1963 (Public Law 88-109),*